

GENERAL SALES CONDITIONS

These General Sales Conditions (the “Conditions”) apply to all sales of publication paper grades (the “Goods”) sold and/or produced by Norske Skog Skogn AS (the “Seller”) to the buyer (the “Buyer”).

The Conditions are, together with any other documents being part of the contractual relationship between the Seller and the Buyer, such as an offer from the Seller, an order confirmation from the Buyer, a separate sales contract and/or an order confirmation, as the case may be, referred to as the “Contract”. The Conditions supersede all other documents forming part of the Contract, unless otherwise explicitly agreed in writing.

Quantity, grammage tolerances and width and diameter of reel tolerances (sections 3, 4 and 5) are collectively referred to as the specifications of the Goods (the “Specifications”).

1. OFFER

A written offer from the Seller, whether sent electronically or physically, shall be open for acceptance by a purchase order from the Buyer within 10 business days from the date of the offer, unless otherwise specified in the written offer. The Seller is not bound by its offer and may freely reject a purchase order if the purchase order is not received by the Seller within such period of 10 business days and in such form described in section 2 below.

2. ORDER, SALES CONTRACT / ORDER CONFIRMATION

A timely written purchase order from the Buyer, or a representative of the Buyer, which includes the relevant and necessary Specifications and commercial terms concerning the Goods in accordance with the offer, or which accepts the Specifications and commercial terms set out in the offer from the Seller, binds the Buyer upon the Seller’s receipt of the order.

A purchase order shall be deemed to have been accepted by the Seller if and when the Seller has submitted a signed order confirmation to the Buyer, unless otherwise is agreed in the Contract.

3. QUANTITY

The quantity of the Goods is based on and stated as weight (metric tonnes), which is determined at the time the Goods are manufactured and packed. The weight is determined as gross for net (wrappings, cores and plugs included).

The quantity of the Goods is in accordance with the quantities specified in the Contract if the actual quantity compared to the quantity ordered is within the following tolerances: +/- 3% when the ordered quantity is more than 100 metric tonnes, and +/-5% when the ordered quantity is between 20 and 100 metric tonnes, and +/-10% when the ordered quantity is less than 20 metric tonnes.

4. GRAMMAGE TOLERANCES

A Lot of paper (meaning one or more reels of paper of a single paper grade of specified characteristics and delivered at the same time) is in accordance with the Grammage specified in the Contract if the actual Grammage compared to the Grammage ordered is within the tolerances stated below.

“Grammage” means the weight in grams per square metre of paper. If the supply of Goods comprises two or more Lots, the actual Grammage of each Lot shall be determined separately.

The actual Grammage of a Lot of paper is the arithmetic average of the Grammage as determined by sampling and testing the Lot in accordance with ISO 186 and ISO 536 respectively.

Weight of Lot in metric tonnes	Deviation (%)
≤ 5	± 4
500	± 1,5
≥ 1000	± 1,3

For Lots of paper of intermediate weight, the tolerances are obtained by linear interpolation.

5. WIDTH AND DIAMETER OF REEL TOLERANCES

The width of the Goods is in accordance with the width specified in the Contract if the actual width compared to the width ordered is within a tolerance of ± 3 mm.

The reel diameter of the Goods is in accordance with the reel diameter specified in the Contract if the actual diameter compared to the diameter ordered is within tolerances of + 40 mm and - 80 mm.

6. DELIVERY

The Goods are delivered according to the Seller's practices, unless specific packaging, labelling, or marking instructions are specified by the Buyer and accepted by the Seller in writing.

The risk pertaining to the Goods is deemed transferred from the Seller to the Buyer in accordance with the terms of delivery (Incoterms 2020), as agreed in the Contract (“Delivery”). If the Buyer is in delay in taking over the Goods, the risk will be transferred to the Buyer from the time that the Goods are made available to the Buyer in accordance with the Contract.

7. INSPECTION

The Buyer shall conduct a reasonable examination of the quality, quantity, Grammage, width and diameter of the Goods upon Delivery.

8. PRICE/PAYMENT

Prices include packaging. Prices are only subject to adjustment if agreed by the Seller and the Buyer in writing.

All payments shall be made in the designated currency to the Seller’s bank account specified in the Contract. All payments shall, at the latest, be made on the due date specified on the invoices. All payments shall be made without any deductions or set-offs for counterclaims, unless agreed in writing, or when a claim is based on a final and enforceable court order, arbitration award or an amicable settlement.

If the supply of Goods is made through more than one Delivery, invoicing and payment shall be made for each separate Delivery unless otherwise agreed in writing.

Unless otherwise is explicitly agreed in writing, the prices, fees and charges do not include, and the Buyer shall be responsible for payment of, VAT, withholding taxes, any other taxes, levies, duties, charges, assessments or fees of any nature (including interest, penalties and additions thereto), both existing or later introduced in relation to the sale, delivery and purchase of the Goods.

9. BUYER’S DEFAULT - REMEDIES

If the Buyer is in default of one or more of its obligations under the Contract, the Seller may claim one or more of the following remedies towards the Buyer:

Interest: Failure by the Buyer to pay for the Goods by the specified due date(s) shall, without prior notice from the Seller, entitle the Seller to charge interest on overdue payments at a rate corresponding to the applicable interest according to the Norwegian Overdue Interest Act of 17 December 1976 no 100 (as amended from time to time).

Compensation: The Seller shall be entitled to claim compensation for any direct costs and losses due to the Buyer’s default, including but not limited to storage and logistics costs, etc. In case the applicable exchange rates are less favourable to the Seller upon the Buyer’s late payment compared to the specified due date, the Seller shall be entitled to compensation for losses suffered.

If the Goods are sold “Ex. Works” or under similar conditions requiring the Buyer to collect the Goods at premises under the Seller’s control, any failure by the Buyer to collect the Goods in accordance with the Contract, shall entitle the Seller to store and resell the Goods two weeks after notification of its intention to resell the Goods. Any losses suffered and/or costs incurred by the Seller as a consequence thereof shall be compensated by the Buyer.

Cancellation: If the Buyer is in material breach of one or more of its obligations under the Contract, the Seller shall be entitled to cancel the Contract with immediate effect and any losses suffered and/or costs incurred by the Seller, including but not limited to interest on overdue payments, storage and logistics costs and resale of the Goods, shall be compensated by the Buyer. The following shall be deemed a material breach of the Contract: (i) failure to pay any due amount owed to the Seller, in part or in full, in the currency and manner specified in the Contract, within 10 working days after the due date specified in the Contract, (ii) instances referred to in section 13, and (iii) if the Buyer, in the Seller’s reasonable discretion, is in breach of the Seller’s Code of Conduct (www.norskeskog.com/Responsibility/Steering-Guidelines/Code-of-Conduct)

or otherwise in breach of applicable laws and regulations regarding compliance, anti-corruption, antitrust or similar, both in relation to its contractual relationship with the Seller or otherwise, and (iv) if it is likely that the Buyer will be in default of any material obligation of the Contract or fail to perform a substantial part of its obligations under the Contract (“anticipated breach of contract”).

Right of stoppage in transit: If the Buyer is in breach of section 9, or otherwise in material breach of its obligations under the Contract, the Seller may refuse to hand-over of the Goods to the Buyer even if Delivery has previously occurred.

10. SELLER'S DEFAULT - REMEDIES

Price Reduction: If the Goods are not in accordance with the Specifications, the Buyer shall be entitled to claim a price reduction corresponding to the reduced value of the Goods, if any, due to such deviation. Upon the Seller's request, the Buyer shall send pictures of the deviation and when requested, at the Seller's cost and expense, send a sample of the Goods or allow the Seller to inspect the Goods claimed to be not in accordance with the Specifications.

If delivery of Goods is delayed due to the Seller's own gross negligence, the Seller shall reimburse the Buyer for any reasonable and necessary costs incurred, by granting the Buyer a reasonable reduction in the price.

Rejection of Goods/Re-delivery: If the Goods are not in accordance with the tolerance levels defined in section 4 and 5 above, and are not fit for the Buyer's purposes, the Buyer may reject the Goods delivered and demand the Seller, without unreasonable delay, to replace the Goods or otherwise remedy the Goods delivered as the Buyer and the Seller may agree. The Seller shall reimburse the Buyer for any reasonable and necessary costs incurred in handling, storing and insuring the defective Goods until the delivered Goods are remedied by the Seller.

Cancellation of Contract: If any instances referred to in the last paragraph in section 13 occur, the Buyer is entitled to cancel the Contract, subject to prior written notice and only if the breach is not remedied within 15 working days after the Seller received such written notice. The right to cancel only applies to the extent Delivery has not occurred, and the Buyer shall be obliged to fulfil its obligations under the Contract in relation to the Goods delivered before a cancellation becomes effective.

Limitation of Liability: Excluding product liability, any damages or compensation to the Buyer shall in no event exceed the invoiced value of the delivered Goods concerned. The Buyer is under no circumstances entitled to damages or compensations for indirect, consequential, incidental, punitive or similar losses, including lost profits or lost production or revenues.

Sole and exclusive remedies: The remedies set out in this section 10 shall be the Buyer's sole and exclusive remedies in case of the Seller's default.

11. BUYER'S OBLIGATIONS REGARDING COMPLAINTS/CLAIMS

The Buyer shall take all appropriate measures to mitigate any costs and/or losses. If the Buyer fails to take such measures, the Seller may claim a proportional reduction in any compensation to the Buyer.

In the event of default by the Seller, the Buyer shall notify the Seller without delay after the Buyer became or should have become aware of the default, and in no event later than 10 working days after Delivery. Following such notification, the Buyer shall within 15 working days present to the Seller a claim documenting the alleged default and the consequences thereof.

In the event that any damages or defects may have incurred during transportation, the Buyer must duly notify the carrier as well as the Seller. Notification concerning any transport issues or claims must comply with the applicable rules of transportation.

12. INCREASED PRODUCTION COSTS

If the costs of production and/or delivery substantially increase due to changes in costs related to, but not limited to, energy, raw materials, freight, exchange rates or tax, the parties shall, upon the Seller's written request, in good faith renegotiate the price for the Goods yet to be delivered. The Seller may cancel any undelivered part of the contract volume by giving 30 days' prior notice to the Buyer.

13. CHANGE(S) IN FINANCIAL POSITION(S)

Should any substantial change occur in a party's financial position, which may have impact on its ability to fulfil the Contract, the other party shall, upon written notice, be entitled to demand sufficient security for the fulfilment of the Contract.

Should any party become insolvent, have a receiver appointed, enter into bankruptcy, liquidation or similar insolvency proceedings, it shall always be the presumption that the party will not be able to fulfil a substantial part of its obligations under the Contract.

14. FORCE MAJEURE

A party is not liable for a failure to perform any of its obligations under the Contract in so far it demonstrates that: (i) the failure was due to an event beyond its reasonable control, such as fire, embargo, flooding or other natural disaster, epidemic, strike, lock-out or other labour dispute, shortage of raw material, disruption in energy supply or supply failures of other suppliers to the Seller, (ii) it could not reasonably have taken into account such event and its effects on the party's ability to perform its obligations at the time of entering into the Contract, and (iii) it could not reasonably have avoided or overcome the event and its effects.

A party seeking relief due to force majeure shall, without undue delay after the event occurred, give written notice to the other party. Such notice shall specify the likely effects and the measures that will be taken to overcome or limit the event and its consequences. Updates shall be given at reasonable intervals.

Failure to give such notice in a timely manner prevents the party failing to perform from relief as set out in the following sentence.

Without prejudice to the above, a ground for relief under this section shall, as long as and to the extent that the ground of relief exists, relieve the party failing to perform from any liability otherwise imposed on such party pursuant to the Contract, except from the duty to pay interest on due payments in accordance with the Contract.

Either party is entitled to cancel the impacted delivery of Goods if the delay lasts for more than 6 months, with the exception of the Goods already produced by the Seller when the event causing the non-performance occurred.

15. RETENTION OF TITLE

Notwithstanding section 9, the Seller reserves title to all Goods delivered until the Buyer has paid the purchase price for the Goods in full and fulfilled any other contractual obligations. As long as title is reserved, the Buyer shall be obliged to treat, store and insure the Goods with due care. During the term of the reservation of title, the Buyer may not pledge or transfer ownership to the reserved Goods to any third party. Any action taken by third parties with respect to the reserved Goods shall promptly be notified to the Seller.

In the event of the Buyer's default, including any anticipated default, of any material obligation under the Contract, the Seller shall be entitled to recover the reserved Goods. Such recovery shall not be deemed as a cancellation of the Contract, unless the Seller gives a written notice to this effect. Prior to recovery, the Seller shall be entitled to resell the Goods and set-off the proceeds from such sale and any administrative costs incurred by the Seller in connection therewith towards any outstanding amount payable by the Buyer.

The rights of the Seller arising from this section shall remain in effect until the Seller has been fully released from any contingent liabilities assumed by the Seller in the interest of or at the request of the Buyer.

The Seller shall, at the request of the Buyer, release a portion of its reservation of title so that the market value of the reserved Goods does not exceed the secured claims by more than 15%.

If the reserved Goods at the time of repossession are located in a country in which this retention of title clause would not be held legally effective, such other security shall be deemed agreed upon between the Seller and the Buyer that comes as close as possible under the laws of such country. If any actions of the Buyer should be required in this respect, the Buyer shall be obliged to promptly perform such actions at the request of the Seller.

16. MISCELLANEOUS

Amendments and Waivers: No addition or amendment to the Contract are valid unless agreed in writing between the parties.

Should any provision of the Contract be or become illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining provisions shall not be affected.

Failure of either party to insist on performance of an obligation in the Contract shall not be considered as a waiver or relinquishment of future compliance therewith, nor shall a waiver by either party of any breach of an obligation be regarded as a waiver of any other obligations unless otherwise expressly agreed in writing.

Assignment and Transfer: Neither party shall, directly or indirectly, assign or transfer the Contract to any third party, in whole or in part, without the prior written consent of the other party. The Seller may assign or transfer all or any part of its obligations, rights, title or interest under the Contract to any affiliate of the Seller and/or any company or person providing or arranging direct or indirect factoring, financing or other financial services to the Seller or any of its affiliates (a “Finance Provider”).

Data protection: Any data necessary for fulfilment of the Contract is treated by the Seller in accordance with applicable law, including the European General Data Protection Regulation (GDPR). The Seller may transmit data to its affiliates

or any third party for the purpose of fulfilment of the Contract and commissioned data processing, for which an appropriate data processing agreement shall be entered. The Buyer accepts that data may for the purpose of fulfilment of the Contract be transmitted to countries outside of the European Union and thus do not necessarily comply with European data protection standards. The Seller may use data collected in connection with the fulfilment of the Contract to inform the Buyer about the Seller's products.

Compliance: The Buyer shall comply with all applicable laws and regulations, and shall at all times adhere to the Seller's Code of Conduct (www.norskeskog.com/Responsibility/Steering-Guidelines/Code-of-Conduct).

Confidentiality: Each party undertakes to keep confidential all information (written or oral) concerning the businesses and affairs of the other party which it has obtained or received as a result of discussions prior to entering into the Contract or which it has obtained during the course of the Contract, except any information that (i) is subject to a statutory obligation to disclose or is required to be disclosed to any competent authority, (ii) is already known to the party in question at the time the information was received, or (iii) is or becomes part of the public domain other than as a result of a breach of the Contract. Nothing in this section shall prevent the Seller from disclosing, on a continuous basis, any information referred to herein to its professional advisers, any affiliate or any Finance Provider and their professional advisers in connection with any financing. The obligation of confidentiality remains after the termination of the Contract.

17. JURISDICTION, GOVERNING LAW AND ARBITRATION

The laws of the Seller's seat of registration shall govern the validity, interpretation and performance of the Contract.

Any disputes arising out of or in connection with the Contract or its validity, which the parties are unable to settle amicably, shall be finally settled by arbitration in the capital of the Seller's country under the Norwegian Arbitration Act of May 14 2004, unless the parties specifically agree on arbitration or alternative dispute resolution elsewhere. Arbitration or alternative dispute resolution shall be conducted in the English language. The Seller is always entitled, at its sole discretion, to make claims for payment of receivables arising out of the Contract in the courts of the Seller's or the Buyer's place of business.

Skogn, Norway, 11 January 2023

Norske Skog Skogn AS



*Håvard Busklein
General Manager*