



Terms and Conditions of Sale



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These Terms and Conditions of Sale (these “Terms and Conditions”) shall apply to each transaction in which Billerud Americas Corporation, Billerud Commercial LLC, or one of their respective subsidiaries (“Billerud”) sells one or more products (the “Products”) to a person or entity (the “Buyer”) pursuant to an order acknowledgment issued by Billerud to Buyer (the “Acknowledgment”) (each such transaction, a “Transaction”).

If, in addition to an Acknowledgment, the Transaction is the subject of a separate written contract between Billerud and Buyer (the “Primary Contract”), the Transaction shall be governed by the terms and conditions of the Primary Contract, which shall apply in lieu of these Terms and Conditions unless they are expressly incorporated by reference into and supplement the Primary Contract. If these Terms and Conditions are so incorporated, the term “Transaction” shall refer to all sales and purchases of Products occurring under the Primary Contract as a whole.

1. **Invoices and Payment.** Billerud shall invoice Buyer for the prices at which the Products are sold and purchased hereunder (the “Prices”) upon shipment. Buyer shall pay Billerud’s invoices as follows:
 - (a) For cartonboard Products, Buyer will pay each invoice within 30 days after the date of the invoice; no discount for early payment.
 - (b) For paper Products, Buyer shall pay each invoice within 21 days after the date of the invoice. If Buyer pays an invoice for coated paper, uncoated printing paper or specialty paper Products within 20 days after the date of the invoice, a 1% Price discount (not applicable to freight and other charges) shall be applied.
 - (c) For pulp Products, Buyer will pay each invoice within 30 days after the date of the invoice; no discount for early payment.

Buyer shall pay Billerud’s invoices in accordance with their terms to the location specified by Billerud. A service charge equal to the lesser of 1.5% per month (18% per year) or the highest permissible rate under applicable law shall be assessed on any invoiced amount that is not paid when due.

2. **Additional Charges.** In addition to the Prices, Billerud may invoice, and Buyer will pay the amounts of any tax, assessment or other charge imposed by any governmental authority with respect to the manufacture, sale, transportation, delivery, export and/or use of the Products, unless such amounts are provided for in the Transaction Documents. Billerud may invoice and Buyer will pay any appropriate freight, fuel and other charges as imposed or as set forth in Billerud’s Freight, Sales and other Policies set forth under Resources at billerud.com.
3. **Creditworthiness.** If Buyer’s financial condition, its payment history or prospects, or any other indicator of Buyer’s ability or willingness to pay Billerud’s invoices in full when due becomes unsatisfactory to Billerud at any time and for any reason, Billerud may require Buyer to pay its invoices in advance or to provide adequate security on subsequent shipments of Products without impairing the obligation of Buyer to take and pay for the quantities of Products ordered.
4. **Force Majeure.** The Seller or Buyer, as applicable, is not in default to the extent and for the period of time that performance is prevented, interrupted or delayed by an event that is beyond such party’s reasonable control, and which by its nature was unforeseeable or unavoidable (a “Force Majeure Event”). Force Majeure Event includes an act of God or the public enemy, authorization of law, government action, government restriction, flood, fire, earthquake, explosion, epidemic, war, invasion, terrorist act, civil unrest, protest, strike or disturbance, labor shortage, embargo, elimination or curtailment of electric power, inability to obtain material, equipment, transportation or Products, accident, or any other cause or condition (except financial) beyond the applicable party’s reasonable control, including without limitation the inability to source Products from regular points of manufacture or sources of supply. The quantities of Products affected by the Force Majeure Event may be eliminated from the Transaction at the discretion of the party affected without any liability, but the Transaction otherwise shall remain unaffected. During any period when Billerud

is unable to perform its contractual obligations by reason of a Force Majeure, Billerud shall have the right to allocate its available supply of products (including the Products) among Buyer and its other customers in any manner that Billerud determines to be commercially reasonable and appropriate.

5. **Title and Risk.** The ownership and legal title to, benefit of possession and control over, and risk of damage to or loss of the Products shall pass from Billerud to Buyer upon the delivery of the Products to the carrier at the Origin unless otherwise provided for in the Transaction Documents. "Origin" means the Billerud US location from which the Products are shipped.
6. **Warranties.** Billerud warrants that the Products sold to Buyer will, at the time of shipment from Billerud's mill, be of Billerud's standard quality. EXCEPT AS SET FORTH IN THE PRECEDING SENTENCE, SELLER SHALL NOT BE BOUND BY ANY EXPRESS OR IMPLIED REPRESENTATION, WARRANTY, PROMISE, GUARANTEE, INDUCEMENT OR OTHER STATEMENT OF ANY KIND OR NATURE REGARDING THE PRODUCTS. SELLER EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES RELATING TO THE PRODUCTS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
7. **Defective Products.** All claims by Buyer relating to defective Products shall be handled by the parties in the manner provided in the Resolution Handbook published on Billerud's website at www.billerud.com (the "[Resolution Handbook](#)"). Buyer's exclusive remedy for a defective Product and Billerud's sole liability therefor shall be, at Billerud's option, the replacement of the defective Product or the payment of an amount not to exceed the Price of the defective Product.
8. **Product Delivery.** Unless otherwise provided for in the Transaction Documents, Billerud shall deliver the Products FCA Origin (Incoterms® 2020), with carriage arranged by Billerud in accord with its applicable Freight Policy, to the location or locations set forth in the Transaction Documents.
9. **Transportation.** Buyer nominates Billerud to arrange for shipping on behalf of Buyer. Billerud reserves the right to select the most compliant and cost-effective transportation mode and carriers for shipping the Products. Freight charges shall apply as provided in the applicable Freight Policy published on Billerud's web site at [Policy documents – Billerud North America](#) (the "[Freight Policy](#)"). Freight charges indicated in the Acknowledgment shall be subject to change if Buyer changes the method, destination, grade, basis weight, quantity or ship date of the order acknowledged. Order expediting shall be subject to equipment availability, and Buyer shall be responsible for any additional freight expense. Any advance information as to the shipping or delivery date set forth in the Acknowledgment shall be only an approximation based on Billerud's judgment at the time. Billerud shall use commercially reasonable efforts to ship the Products so that they are delivered to Buyer's locations within the requested period of delivery dates set forth in the Acknowledgment or, in the event of a delay, as soon as practicable thereafter. Billerud shall not be responsible for any detention or demurrage charges arising from or relating to the shipment or delivery of the Products.
10. **Products Damaged in Transit.** All claims by Buyer relating to Products damaged in transit from Billerud's Origin shall be handled by the parties in the manner provided in the Transit Damage Claims Policy published on Billerud's web site at [Policy documents – Billerud North America](#). Only shipments arranged by Billerud are covered by the Transit Damage Claims Policy.
11. **Limitations on Liability.** Notwithstanding any statement to the contrary in the Transaction Documents (as defined herein) or elsewhere, (a) Billerud's aggregate liability to Buyer and any person or entity claiming through Buyer under any theory of law (including, without limitation, negligence) for any claim arising from or in connection with the Transaction shall not exceed the Price of the Product to which such claim relates, and (b) to the maximum extent permitted by applicable law, in no event shall Billerud be liable to Buyer or any person or entity claiming through Buyer under any theory of law (including, without limitation, negligence) for any incidental, consequential or other indirect damages, losses or expenses (including, without limitation, lost business, lost profits or other indirect pecuniary losses) arising from or in connection with the Transaction, even if Billerud has been advised of their possible existence, or for any special, exemplary or punitive damages relating thereto.

12. **Continued Availability.** Billerud reserves the right to change its product mix, including reducing or eliminating the availability of certain Products, grades, sizes or particular Product characteristics or specifications (“SKU’s”). Billerud may substitute a replacement SKU that meets or exceeds the customer requirements at the same price as the reduced or discontinued SKU. If Billerud does not provide a replacement SKU, the customer’s purchase volume requirements or targets for the reduced or discontinued SKU will be reduced in proportion to their actual impact on the customer’s total order volumes.
13. **Termination.** Billerud may terminate the Transaction, by giving at least 10 days prior written notice to Buyer, in the event that Buyer fails to accept delivery of a shipment of Products in accordance with the terms specified in the Transaction Documents, fails to pay any invoice from Billerud when it is due, or commits any other material breach of its contractual obligations and does not cure the breach within 15 days after receipt of written notice thereof from Billerud. In the event of the termination of the Transaction, Buyer shall pay to Billerud the Prices of all Products produced and shipped by Billerud prior to the effective date of termination. The termination of the Transaction shall not limit, impair or otherwise affect Billerud’s right to recover damages from Buyer or to exercise any other legal, contractual or equitable right or remedy available to Billerud on account of such breach.
14. **Compliance with Applicable Laws.** Each party warrants that it has complied with, and covenants that it will comply with, all applicable laws in connection with the activities, actions and transactions contemplated hereunder, including, but not limited to, applicable laws relating to anti-bribery, anti-corruption, anti-trust, anti-money laundering and anti-terrorism.
15. **Sanctions and Export Controls.**
- (a) Buyer warrants that it currently is in compliance with, and agrees to comply with sanctions and export control laws and regulations applicable with respect to all activities, actions and transactions conducted hereunder, including, but not limited to, economic, financial and trade sanctions and export controls as amended from time to time, ordered or administered by the European Union (“EU”), the United States (“US”), the United Kingdom (“UK”) and the United Nations (“UN”), and other jurisdictions to the extent applicable (“Sanctions and Export Control Laws”). Buyer further agrees to apply adequate control system to ensure its compliance with Sanctions and Export Control Laws and shall upon request provide Billerud with evidence of such measures.
 - (b) Buyer agrees that it shall not sell, or otherwise transfer possession of or title to, goods or technology, including Products, subject to the Agreement to any third-party subject to or the target of, or for use in any manner inconsistent with Sanctions and Export Control Laws.
 - (c) Buyer warrants that as of today and during the term of the Agreement, (i) Buyer, its affiliates and subsidiaries are not and have not been listed on any list of prohibited parties or subject to sanctions imposed by the UN, EU, UK, US or other jurisdictions if applicable, including, but not limited to, the Specially Designated Nationals and Blocked Persons List maintained by the US Department of the Treasury’s Office of Foreign Assets Control (OFAC), the Entity List and Denied Persons List maintained by the Bureau of Industry and Security of the US Department of Commerce (BIS), the Consolidated list of persons, groups and entities subject to EU financial sanctions, the Consolidated UN Security Council Sanctions List, and the UK HM Treasury Consolidated List of Financial Sanctions Targets in the UK as amended from time to time (“Prohibited Party List”) or subject to or the target of any Sanctions and Export Control Laws; (ii) Buyer, its affiliates and subsidiaries are not and have not during the last five (5) years been directly or indirectly owned (50 percent or more) by, controlled by, or acting on behalf of a legal or physical person listed on Prohibited Party List or subject to or the target of Sanctions and Export Control Laws; and (iii) the person(s) in charge of the supervision and daily management of the Buyer and any agent or other person associated with or acting on behalf of the Buyer are not and have not been subject to or the target of any Sanction and Export Control Laws or listed on any Prohibited Party List.

- (d) Buyer undertakes to immediately inform Billerud if and when the Buyer becomes aware of any circumstance(s) (including but not limited to change of ownership, control, appointed representatives or usage of Products) which constitute or could constitute or lead to a breach of the warranties and undertakings set out in section 15 (a) – (c).
- (e) Furthermore Buyer acknowledges and agrees that in the event of (i) a breach or failure by Buyer to comply with any of the warranties or undertakings of this section; or (ii) Billerud, in its sole discretion, determines that the performance of its obligations, or that any action of Buyer, could constitute a violation of, or place Billerud in violation of, or expose Billerud to risk of penalties under Sanctions and Export Control Laws, then Billerud shall be entitled to immediately suspend or terminate its obligations, including any purchase contracts and/or future quotes, inquiries, orders and order confirmations, without right for Buyer to remedy such breach and without any right of compensation for Buyer.
- (f) If this Agreement is terminated pursuant to this Section or as a result of a breach of this Section, Billerud shall not be liable for any harms, damages, loss or restitution to Buyer and the Buyer shall indemnify and hold Billerud harmless for any loss or damage suffered by Billerud as a result of the Buyer's breach of or failure to comply with this Section.

16. Miscellaneous.

- (a) **Related Materials.** The Resolution Handbook and its related policies and the applicable Sales Policy and Freight Policy published on Billerud's web site at www.billerud.com (collectively, the "Related Materials") are expressly incorporated by reference into and supplement these Terms and Conditions.
- (b) **Transaction Documents.** The rights and obligations of Billerud and Buyer with respect to the Transaction shall be as set forth in the Primary Contract (if any), the Acknowledgment, these Terms and Conditions, and the Related Materials (collectively, the "Transaction Documents"). The Transaction Documents are a complete and exclusive statement of the entire agreement between the parties with respect to the Transaction and supersede any and all prior negotiations, promises, understandings, agreements, representations, warranties, and courses of conduct and dealing, whether written or oral, between the parties. No term or condition set forth in any purchase order or other material submitted by Buyer shall apply to the Transaction or be binding on the parties unless the term or condition is expressly set forth in a Transaction Document.
- (c) **Conflicts.** In the event of any conflict or inconsistency between a provision of a Transaction Document and a provision of any other Transaction Document, the following order of precedence shall govern the resolution of the conflict or inconsistency: (1) the Primary Contract (if any); (2) the Acknowledgment; (3) these Terms and Conditions; and (4) the Related Materials.
- (d) **Amendment.** The Transaction Documents may not be amended, supplemented or modified except by a written agreement executed on behalf of all the parties by their authorized representatives. Notwithstanding the foregoing, (1) Billerud may notify Buyer in writing of any change in the scheduled ship date set forth in the Acknowledgment, and (2) Billerud may make future changes to these Terms and Conditions, the Acknowledgment, and the Related Materials at any time without notice, with any such change being binding on the parties from and after its effective date.
- (e) **Notices.** All notices, consents, waivers and other communications required or permitted under the Transaction Documents shall be in writing and shall be deemed given to a party when (1) delivered by hand or a nationally recognized delivery service, (2) sent by email or facsimile with confirmation of transmission, or (3) sent by certified mail, return receipt requested, and received or rejected by the addressee, in each case to the address, facsimile number or email address of the party set forth in the Primary Contract (if any) or the Acknowledgment or to such other address, facsimile number or email address as the party may designate by written notice previously given to the other party.

- (f) **Rights and Remedies.** No failure or delay by any party to exercise any right or remedy under the Transaction Documents shall operate as a waiver of such right or remedy. No exercise of any such right or remedy shall preclude any further exercise of such right or remedy or the exercise of any other right or remedy.
- (g) **Waiver.** No claim or right arising from the Transaction or under the Transaction Documents may be waived by a party unless such waiver is in writing and is signed by the waiving party. No waiver given by a party shall be applicable except in the specific instance for which it is given.
- (h) **Assignment; Successors.** Buyer may not assign the Transaction Documents or any of its rights and obligations thereunder without the prior consent of Billerud. Billerud may assign the Transaction Documents and its rights and obligations hereunder, without the consent of Buyer, to an affiliate of Billerud, the acquirer of all or substantially all of Billerud's assets or of the mill or mills that produce the Products sold and purchased hereunder, the acquirer of all or substantially all, of certain product lines, grades, sizes or particular paper characteristics or specifications, or the surviving entity in a merger or consolidation involving Billerud.
- (i) **Severability.** If a court of competent jurisdiction holds that any provision of any Transaction Document is illegal, invalid or unenforceable, then such holding shall not affect the other provisions of the Transaction Document, and such provision shall be modified by the court to the extent necessary, in the court's opinion, to make it fully legal, valid and enforceable while preserving the parties' intent and agreement set forth in the Transaction Document to the fullest extent possible.
- (j) **Governing Law and Limitation of Actions.** The Transaction Documents shall be governed by, construed under, and enforced in accordance with the laws of the State of Ohio in effect from time to time without regard to the conflicts-of-laws principles or provisions thereof. Any action, suit or other legal proceeding arising from or based on the Transaction, or the Transaction Documents must be brought in a court of competent jurisdiction in Montgomery County, Ohio, and must be instituted within one year after the cause of action has arisen or otherwise will be barred.