

**SCA TISSUE NORTH AMERICA  
STANDARD TERMS AND CONDITIONS**

**THESE STANDARD TERMS AND CONDITIONS ARE INCORPORATED BY REFERENCE INTO THE ATTACHED PURCHASE ORDER. THEY FORM AN INTEGRAL PART OF THE PURCHASE ORDER AND MAY NOT BE MODIFIED. EACH PARTY TO THE PURCHASE ORDER SHOULD INITIAL THESE TERMS AND CONDITIONS IN THE SPACE PROVIDED AT THE BOTTOM OF EACH PAGE. FAILURE TO INITIAL SHALL NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF THE TERMS AND CONDITIONS WHICH SHALL BE DEEMED TO HAVE BEEN ACCEPTED UPON FIRST PERFORMANCE BY THE SUPPLIER OF ITS OBLIGATIONS UNDER THE PURCHASE ORDER.**

1. Price. The Purchase Price set forth in this Purchase Order is fixed, and may be changed only by a change order signed by authorized representatives of both parties. SCA will not pay any charges for transportation, packing, packing cases, drums, etc, or other extras, except if such charges are specified in this Purchase Order. Should Supplier sell or offer Product of equivalent quality and quantity to a third party at a lower price than that in effect under this Purchase Order, then SCA shall receive the benefit of such lower price on all shipments of Product made by Supplier to SCA while such lower price is in effect. Unless stated otherwise on the face of this Purchase Order, SCA shall make all payments using net 60 cash terms following acceptance of the Products at the designated SCA facility or receipt of correct invoice (approved by SCA), whichever is later. All payments shall be in US dollars. With each invoice submitted to SCA, Supplier shall include all documentation reasonably required by SCA to support Supplier's claim for payment.
  
2. Changes. SCA reserves the right at any time to change by written notification any of the following (a) specifications, drawings and data incorporated in this Purchase Order where the items to be furnished are to be specifically manufactured for SCA; (b) quantity, (c) methods of shipment or packaging, (d) place of delivery, (e) time of delivery, (f) any other matters affecting this order. If any change by SCA causes an increase or decrease in the cost of or the delivery schedule for the Purchase Order, SCA shall make in writing 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 ten (10) days from Supplier's receipt of the written change notice from SCA.
  
3. Delivery. Unless otherwise specified in this Purchase Order, delivery is FOB (INCOTERMS 2000), SCA's location(s) designated on the face of this Purchase Order. Time is of the essence in the performance of this Purchase Order.
  
4. Inspection. SCA shall have the right to inspect and approve the Products within a reasonable time after delivery irrespective of payment date. The making or failure to make any inspection of the Products shall in no way impair SCA's warranty rights or its right to reject nonconforming or defective Products, nor be deemed to constitute acceptance by SCA of the Products or any part thereof, or affect in any way Supplier's obligations under the Purchase Order. SCA may reject Products not in accordance with the specifications or Supplier's express or implied warranties ("Nonconforming Products") or may accept some and reject other Nonconforming Products, at its option. All rejected Products shall be held at Supplier's risk. SCA may return rejected Products to Supplier at Supplier's risk and expense and SCA shall have no further obligation for such Products. Payment for any Products shall not be deemed acceptance and in no event shall SCA incur any liability for payment for rejected Products.
  
5. Shipping and Marking. Supplier shall mark and ship the Products in accordance with the instructions set forth in this Purchase Order. All paperwork, including invoices must contain the Purchase Order number.

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**SCA**

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**SUPPLIER**

6. Title and Risk of Loss. Title to and risk of loss with respect to the Products shall pass to SCA upon SCA's acknowledgement of delivery at SCA's designated location. Supplier shall bear all risk of loss and shall insure all Products until they are received by SCA at its location in the condition required by the Purchase Order.
7. Force Majeure. Neither Supplier nor SCA shall be liable to the other for damages caused by the failure or delay in fulfilling any obligation of this Purchase Order, other than the obligation to make payments of Purchase Price due under the Purchase Order, if and to the extent such failure is caused by any war, riot, insurrection, civil commotion, explosion, fire, flood, accident, storm or any act of God, delay of common carriers or embargo (each an "Event of Force Majeure"). The affected party shall give the other party prompt notice of the occurrence of an Event of Force Majeure. If such Event of Force Majeure delays or prevents performance by the affected party for more than 30 days, such other party may, by notice to the affected party, cancel the Purchase Order with no further liability to the affected party. If the affected party is Supplier and only a part of Supplier's ability to perform under this Purchase Order is excused due to the occurrence of an Event of Force Majeure, Supplier must allocate its overall production and deliveries in a fair and equitable manner among itself and its various customers then under contract for similar Products during the continuation of the Event of Force Majeure, and shall not give preference to any other customer over SCA.
8. Patent Indemnity. Supplier warrants and represents that the Products and the manufacture, sale, offer for sale, and use thereof, do not and will not violate, infringe, directly or indirectly, any patent, copyright, trademark, or proprietary information right owned by a person other than SCA, its parent, subsidiaries or affiliates. Supplier shall indemnify, defend and hold harmless SCA, its parent, subsidiaries and affiliates, and each of their officers, members, shareholders, directors, agents and contractors (collectively, "SCA Parties") from and against all claims, demands, suits, actions, causes of action, liabilities, fines, penalties, losses, damages and expenses, including, without limitation, attorney's fees and charges (collectively, "Claims") based upon allegations or claims (whether valid or invalid) that the Products, or the sale, offer for sale, or use thereof, constitutes an infringement or violation of any patent, trademark, copyright or proprietary information right. SCA may participate at its own expense in any defense of such a Claim undertaken by Supplier.
9. Warranty. Supplier warrants that the Products and services furnished will be free from defects in materials, design and workmanship, will be new, merchantable and in full conformity with SCA's specifications and Supplier's descriptions, promises or samples, and that such Products will be fit for SCA's intended use, provided Supplier has reason to know such use, and that Supplier will convey good title to the Products free and clear from all liens, claims and encumbrances. This warranty shall survive acceptance of the Products delivered hereunder, and is in addition to any warranties of additional scope given to SCA by Supplier. All warranties run to both SCA and its customers.
10. Indemnity. Supplier agrees to defend, indemnify and save SCA harmless against all liabilities, claims or demands whether in tort or in contract for injuries or damages to any person or property arising out of Supplier's act or omissions in the performance of this Purchase Order, including, without limitation, a breach of Supplier's warranties contained in paragraph 8.
11. Cancellation. If Supplier becomes insolvent, becomes the subject of a petition under any bankruptcy law, makes a general assignment for the benefit of its creditors, or has a receiver requested for or appointed for it, SCA may cancel this Purchase Order immediately upon written notice. Should Supplier fail to comply with any of its obligations under this Purchase Order (including without limitation these terms and conditions), then SCA may immediately terminate the Purchase Order for cause. The foregoing is without limitation to any right or remedy available to SCA at law or in equity. SCA may at any time terminate this Purchase Order or any part within for its sole convenience. In the event of such termination, Supplier shall immediately stop all work and

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shall immediately cause its suppliers or subcontractors to cease work. Supplier shall be paid a reasonable termination charge reflecting the percentage of work performed prior to the termination notice. Supplier shall not be paid for work done after receiving the termination notice, nor for costs that could have been reasonably avoided.

12. Confidentiality. Each of the parties acknowledges that the information that the other party submits to it in connection with this Purchase Order includes the submitting party's confidential and proprietary information, both of a technical and commercial nature. Each of the parties agrees not to disclose such information to third parties without the submitting party's prior written consent.
13. Governing Law. This Purchase Order shall be interpreted and enforced under the laws of the State of Wisconsin, without regard for its conflict of laws principles.
14. Assignment. None of Supplier's rights or obligations hereunder may be assigned without the prior written consent of SCA.
15. Notices. Any notice, demand or other communication given by one party to the other in any way relating to this Purchase Order shall be valid only if in writing and shall be effective only when delivered personally to, or actually received by mail or telecopier by, the project managers of the parties and at the addresses stated in this Purchase Order.
16. Compliance with Laws. Supplier shall, in the performance of this Purchase Order, fully comply with all applicable federal, state, and local statutes, regulations, rules, orders, and ordinances applicable to the manufacture, storage, handling or use of the Products in effect as of the date of the Purchase Order.
17. Entire Agreement. This Purchase Order constitutes the entire agreement and understanding between Supplier and SCA. This Purchase Order shall supersede and prevail over all prior communications between Supplier and SCA, including, but not limited to, all oral or written proposals, as-sold proposals, offers, correspondence and other documents. Notwithstanding any contrary provision of this Purchase Order, Supplier shall not propose additional or different terms or conditions from those set forth in this Purchase Order and any such additional or different terms or conditions proposed by Supplier in any form, including, but not limited to, any form of acceptance are hereby specifically rejected and rendered null and void.
18. Amendments and Waiver. This Purchase Order may be amended only by a written instrument signed by both Supplier and SCA. The failure of either party to insist in any instance upon strict performance of any of the provisions of this Purchase Order, or to take advantage of any of such party's rights hereunder, shall not be construed as a continuing or future waiver of such provision or the relinquishment of such rights, but the same shall continue in full force and effect.
19. Insurance. In the event Supplier or any of its employees, or agents will perform work hereunder on SCA's premises, Supplier shall carry at its sole expense and in a form satisfactory to SCA: (a) worker's compensation insurance providing statutory benefits covering such employees, (b) Employers' Liability \$1,000,000 per occurrence, (c) Comprehensive General Liability \$1,000,000 per occurrence, \$2,000,000 aggregate Combined single limit (including contractual liability for indemnification clauses in this Purchase Order, premises and operations), (d) Automobile Liability \$1,000,000 per occurrence, combined single limit (for owned, non-owned and hired vehicles including appropriate motor carrier hazardous waste endorsements and sudden and accidental pollution liability coverage), (e) Environmental Impairment Liability \$3,000,000 per occurrence (including contractual liability for indemnification clauses in this Purchase Order), (f) Umbrella Liability \$5,000,000 combined single limit (including contractual liability for indemnification clauses in this contract, premises and operations, and automobile liability and coverages). SCA shall be named as an additional insured to the general liability policy. Certificates evidencing the above

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coverage with 30-day amendment and cancellation notice clauses shall be submitted to SCA prior to Supplier commencing work on SCA's premises.

20. Liens. Supplier agrees that it shall not file any liens related to the Products supplied or services performed hereunder and that it shall not permit its subcontractors or other suppliers to file such liens. When requested, Supplier shall provide SCA with lien waivers for itself, its subcontractors and other suppliers in a form satisfactory to SCA, who may withhold any payment(s) otherwise due until it has received reasonable assurances that all of Supplier's obligations respecting the Products or services have been paid. If a lien is filed, Supplier shall cooperate fully with SCA, at Supplier's expense to cause the lien to be removed.
21. Independent Contractor. Supplier, its employees, agents, subcontractors and other suppliers, shall at all times be independent contractors and no express or implied representations to the contrary shall be made. Supplier shall at all times retain exclusive liability for wages and all employment-related obligations due its employees and shall indemnify SCA for any liability arising therefrom.
22. Affirmative Action. Seller agrees that it, and each of its subcontractors involved in fulfilling the Purchase Order, if any, shall comply with the obligations, as applicable, pursuant to Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and The Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, Executive Order 13201 and the implementing regulations at 29 CFR part 470, and such obligations, as applicable, are hereby incorporated herein by reference.

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