



VALMET TECHNOLOGIES, INC.
STANDARD TERMS AND CONDITIONS OF SALE
ROLL COVER AND ROLL MAINTENANCE SERVICES

The following are the terms and conditions (“T&Cs”) under which Valmet Technologies, Inc. sells its Products and Services.

1. DEFINITIONS

“Buyer” means the corporate body of the purchaser, which shall include the principal of Buyer if Buyer is acting on behalf of another entity, purchasing Products or Services from Valmet Technologies, Inc., as well as its affiliated companies, successors and assigns.

“Valmet” means Valmet Technologies, Inc., a corporation organized under the laws of Finland, as well as its affiliated companies, successors and assigns.

“Party/Parties” means either Buyer or Valmet, or both together, depending upon the context.

“Contract” or “Contract Documents” means only those documents expressly made part of this Contract by the Parties, which include Valmet’s quotation, and/or technical specifications, these T&Cs, Buyer’s purchase order (“P.O.”), Valmet’s P.O. acknowledgment, and any other mutually agreed attachments, and excludes any other terms and conditions or documents, whether pre-printed on P.O. form or otherwise. All P.O.s are subject to Valmet’s written acceptance. All Contract changes must be agreed to in writing by both Parties. Any Valmet quotation is subject to, and shall be binding upon, Valmet only if, and to the extent, (i) Valmet receives a P.O. based on Valmet’s quotation and (ii) Valmet accepts such P.O. in writing. In case of any contradictions between the Contract Documents, the terms and conditions of these T&Cs shall prevail.

“Products” means roll covers.

“Services” means the repair, maintenance, modernization, inspection, testing and re-working of rolls and any necessary parts and materials, whether at Valmet’s facility or at Buyer’s site.

2. SCOPE OF PRODUCTS AND SERVICES

a. These T&Cs shall apply to all deliveries and quotations, order acknowledgements and contracts for the sale of Products and Services.

b. The scope of Products and Services to be provided by Valmet is limited to what is expressly set forth in this Contract. The Parties acknowledge that quotations for Services are an estimate of the recommended work to be performed by Valmet. Once inspection is completed, Valmet may provide Buyer with additional recommendations for Services along with pricing. If the Parties agree to proceed with the additional scope of Services, the Contract will be amended to include such additional Services and to reflect the change in Price and in delivery date.

3. PRICE, TAXES AND TERMS OF PAYMENT

a. Prices quoted by Valmet shall remain valid for 30 days, unless otherwise stated in the quotation. Unless otherwise agreed, Valmet shall invoice the Products and Services upon shipment at the then prevailing prices (“Price”).

b. The Price does not include any sales, use, property, value added or other taxes and charges. Buyer shall be liable for all such taxes and charges and for any exemption therefrom. The Price includes Valmet’s standard wrapping but Buyer will provide the transportation container and equipment necessary to transport the roll or Valmet shall supply such container and equipment at Buyer’s expense.

c. Terms of payment are set forth in this Contract. Unless otherwise agreed, all invoices are due net 30 days from the date of the respective invoice. All overdue invoices shall bear interest at the rate of 1.5% per month, or the maximum amount permitted by applicable law (whichever is less), accruing from the due date until paid in full.

d. In the event that a payment to Valmet remains unpaid more than 30 days after its due date, or if Valmet has reason to doubt the Buyer’s ability or readiness to pay, Valmet reserves the right, without any liability and without prejudice to its other rights, (i) to terminate this Contract or to suspend the performance of its obligations under this Contract or any other contract or outstanding P.O., and (ii) to institute other actions and remedies permitted by applicable law.

4. DELIVERY OF PRODUCTS

a. Delivery terms for roll(s) sent by Buyer to Valmet for recovering or mechanical service shall be delivered DDP, Seller’s facility (INCOTERMS 2010). Unless otherwise agreed between the parties, delivery terms for roll(s) returned to Buyer shall be FCA, Seller’s facility (INCOTERMS 2010). In both instances, freight shall be the responsibility of the Buyer. If requested by Buyer, Valmet shall arrange and select carrier and transportation method for roll(s) to be sent to and/or from Seller’s facility. In such instances, Seller will pre-pay and add such freight charges to Seller’s invoice plus a reasonable administrative fee for coordinating transportation. Risk of loss for Buyer’s roll(s) sent to Valmet’s facility for recovering or mechanical service shall reside with the Buyer until delivery by Buyer to Valmet’s facility pursuant to the terms set forth above. Valmet will assume risk of loss of the roll(s) while at Valmet’s facility. Risk of loss for newly recovered or mechanically repaired rolls shall reside with Valmet until delivery to the freight forwarder at Valmet’s facility pursuant to the terms set forth above. Each Party agrees to insure the roll is properly secured and protected prior to shipment from its respective facility.

b. If Seller defers shipment at Buyer’s request, Buyer shall indemnify Seller against all additional costs incurred by Seller thereby, such as costs for demurrage, handling, storage (including storage at Seller’s facility), and insurance. Transfer to storage at Buyer’s request or upon Buyer’s delay shall be considered shipment for all purposes, including invoicing and payment. Buyer shall bear the risk of loss of or damage to the Equipment during storage, and thereafter.

c. Title to Buyer’s roll(s) shall at all times remain with Buyer.

d. Valmet will use its best efforts to deliver the roll by the specified delivery date. Notwithstanding the foregoing, in no event is Valmet liable to Buyer for any damages due to a delay in delivery beyond the specified delivery date and any claim Buyer may have against Valmet for any such delay is hereby waived and disclaimed.

5. INSPECTION

Upon receipt of the roll, Buyer shall, without delay, using due diligence, examine the same as to the quality of the Product. Unless Buyer notifies Valmet in writing to the contrary within eight (8) days from the receipt thereof, the Products shall be deemed to have been duly received without apparent damage.

6. SPECIFICATIONS; CHANGES

a. The Products supplied by Valmet are to be supplied in accordance with mutually agreed upon specifications and requirements set forth in the Purchase Orders. The Services supplied by Valmet are to be supplied in accordance with Valmet’s established mechanical specifications and work standards. Valmet shall not, without prior consent of the Buyer, make any process, specification, or design changes with respect to the Products or Services intended for use by the Buyer.

b. Changes in specifications may be proposed by Buyer in writing at any time. If changes to the specifications are proposed by Buyer, Valmet will promptly respond by stating in writing what effect, if any, such changes will have on the purchase price, delivery and/or other provisions of the Contract.

Buyer shall then respond either accepting or rejecting response to Buyer's proposed change in specifications. Any changes to the specifications agreed upon shall be evidenced in writing signed by representatives of Buyer and Valmet.

c. In addition, Buyer may in writing direct changes within the Purchase Order, including, but not limited to, (i) packing or shipment methods; (ii) place of delivery, inspection or acceptance; (iii) reasonable adjustments in delivery schedules; (iv) amounts of Buyer furnished property; and if this Purchase Order includes Services, (v) description of Services to be performed; (vi) time of performance. Seller shall comply immediately with such direction. If such change increases or decreases the cost or time required to fulfill the conditions of the Purchase Order, Buyer and Valmet shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Valmet and Buyer shall modify the Purchase Order accordingly prior to implementing such change.

7. WARRANTY AND PERFORMANCE GUARANTEE

7.1. Warranty

a. Valmet warrants that Products and Services furnished hereunder will conform to the requirements of this Agreement (including all descriptions, specifications and drawings made a part hereof), and such Products will be free from all defects in materials and workmanship under normal use, maintenance, service and handling for a period of 12 months from initial use of the Product or 18 months from the ship date to the facility, whichever is first. Valmet warrants that the Services performed hereunder shall be free from defects in workmanship for a period of 12 months from the date of performance.

b. Valmet undertakes, at its discretion, to repair or replace defective Products at Valmet's facility or on site or re-perform defective Services covered by the warranty, provided that Buyer has notified Valmet in writing of the defects promptly following discovery and within the applicable warranty period, and for defective Products has given Valmet the opportunity to cut-off, examine and test the defective Product. Return of defective rolls shall be the responsibility of Valmet. All Products replaced in connection with warranty replacements shall become the property of Valmet

c. The costs to repair or replace defective Products shall be pro-rated between the parties as follows:

(i) For polymer covers, Valmet shall be responsible for the percentage of repair or replacement costs equal to the still available cover thickness divided by the total original cover thickness;

(ii) For thermal sprayed covers, Valmet shall be responsible for the percentage of repair or replacement costs equal to the original cover actual running time divided by twenty-four (24) months.

d. In the event Valmet fails to repair or replace defective Products or re-perform defective Services within a reasonable period of time and Buyer has provided Valmet written notice of such default, Buyer may undertake reasonable efforts to repair or replace defective Products or re-perform the defective Services and recover from Valmet the direct cost thereof as set forth above; provided such costs do not exceed the original Price of such Products and/or Services.

e. For replacement Product or re-performed Services provided pursuant to this warranty, a new warranty period shall be granted equal to the original one counted from the date of delivery of the replacement Product or re-performance of the Services, as applicable. Notwithstanding the foregoing, all warranties for Products (whether for replacement parts, latent defects or otherwise) shall expire no later than thirty-six (36) months from the original delivery of the Product.

f The warranty shall not apply to and Valmet shall not be liable for: (i) natural wear of Products; (ii) defects, damages, losses or costs (a) resulting from improper or incomplete handling, storage, erection, operation, or maintenance or other use of the Product by Buyer or third parties, or (b) caused by non-compliance with Valmet's manuals or instructions; (iii) modifications to the Product made by Buyer or third parties without a prior consent of Valmet, or (iv) any other acts or omission, including without limitation repairs of Buyer or third parties and exposing the Product to severe operating conditions.

7.2. No Performance Guarantee/Disclaimer

Valmet gives no performance guarantee whatsoever, including, but not limited to, running life of the Products.

7.3. Exclusion

THE EXPRESS WARRANTIES AND REMEDIES PROVIDED IN THIS CONTRACT ARE THE SOLE AND EXCLUSIVE WARRANTIES AND REMEDIES PROVIDED BY VALMET TO BUYER. ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, ARE HEREBY WAIVED AND DISCLAIMED.

8. LIMITATIONS OF LIABILITY

NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY CONTAINED IN THIS CONTRACT OR PURCHASE ORDER, VALMET'S LIABILITY TO BUYER SHALL NOT EXCEED BUYER'S DIRECT OUT-OF-POCKET COSTS, AND IN SUCH CASE ONLY TO THE EXTENT CAUSED BY VALMET'S NEGLIGENT ACTS OR OMISSIONS. IN ADDITION, VALMET SHALL IN NO EVENT OR CIRCUMSTANCE BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, COSTS OR LOSSES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO LOSS OF REVENUE, PROFIT, USE OR PRODUCTION; DOWNTIME OR PLANT SHUT-DOWNS; COSTS FOR RAW MATERIAL, ENERGY, UTILITY, LABOR OR CAPITAL; OR FOR CLAIMS RAISED BY BUYER'S CUSTOMERS; AND WHETHER BASED ON BREACH OF CONTRACT OR WARRANTY, TERMINATION, NEGLIGENCE, TORT, STRICT LIABILITY, INDEMNITY, AT LAW OR IN EQUITY, OR OTHERWISE. VALMET'S MAXIMUM LIABILITY UNDER THIS CONTRACT SHALL NOT EXCEED AN AMOUNT EQUAL TO 100% OF THE PRICE.

9. FORCE MAJEURE

Neither Party shall be liable for any unforeseen events or circumstances beyond its reasonable control including, but not limited to, strike or other labor conflicts, acts of God, shortage of material, acts of war, acts of terrorism, fire, flood, governmental acts or regulations, transportation restrictions and the like, and to the extent affecting performance under the Contract. The Party wishing to claim relief by any of such event or of force majeure shall notify the other Party promptly of the commencement, effects and cessation thereof. If such an event affects contractual performance more than 6 months, either Party may terminate this Contract and shall be entitled to the remedies set forth in Section 10(b) as though this Contract was terminated without cause.

10. TERMINATION

a. Without prejudice to any claims available in the circumstances, the Party not in breach is entitled to terminate this Contract by written notice:

(i) upon bankruptcy, insolvency, wind-up, trustee appointment, or similar proceedings or in case of dissolution of the other Party;

(ii) upon failure by Buyer to pay any amount owing to Valmet within 30 days from its due date; or

(iii) upon any other material breach of the Contract by the other Party, which failure has not been rectified within a reasonable time from the receipt of a written notice thereof from the Party not in breach.

b. (i) If this Contract is terminated or suspended by Buyer for convenience (without cause), which shall take place no later than the shipment of the roll, Buyer shall reimburse Valmet for all costs incurred by Valmet to date related to such Product and Services and for all additional costs incurred as a consequence of such termination, as well as for Valmet's reasonable overhead and profit allocation on such amounts. (ii) If this Contract is terminated by Buyer for cause, Valmet's maximum liability shall in no event exceed the Price.

11. SOFTWARE AND KNOW-HOW

All drawings, operating and maintenance manuals, designs, software (including updates and new versions), plans, records, instructions, know-how, prints and specifications which are furnished to Buyer in connection with the Products and Services provided under this Contract shall remain the exclusive property of Valmet (or its third party supplier, if applicable) and are delivered to Buyer only for use in operating and maintaining the roll and Buyer shall not use or permit the use of any of them for any other purpose without Valmet's prior written consent. Except as provided for in the foregoing Buyer may not reproduce, license or sub-license, copy or publish, or permit reproduction, copying or publication of the above documents or transfer or relocate software without Valmet's prior written consent, but shall take all necessary precautions to avoid such occurrence.

12. MISCELLANEOUS

- a. Any notice given between the Parties under this Contract may be given by courier, personal delivery or mail, postage prepaid, or by fax, e-mail or similar electronic method. The date of service shall be the date on which the notice is received.
- b. This Contract or any part thereof, except customary sub-contracting by Valmet, shall not be assigned without written approval by the Parties. Such approval shall not be unreasonably withheld.
- c. No action arising out of this Contract or any performance hereunder, except an action to collect overdue payments due to Valmet, may be brought against the other Party more than 2 years from the date of delivery of the Products or Services.
- d. No waiver by either Party of a breach of any provision of this Contract shall constitute a waiver of any subsequent breach of such or any other provision.
- e. If any provision of this Contract shall be held invalid or unenforceable, the remaining provisions shall remain in full force and effect.
- f. This Contract, shall be governed by and construed in accordance with the laws of the country where the selling Valmet entity is domiciled excluding however the United Nations Convention for International Sales of Goods (CISG) and any choice of law provisions.
- g. Any dispute, controversy or claim arising out of or in connection with this Contract, which the Parties are not able to settle amicably within 3 months from the first written request for such settlement, shall be finally settled in accordance with the latest Arbitration Rules of the International Chamber of Commerce by one or more Arbitrators appointed in accordance with those Rules. The arbitration shall take place in the country where the selling Valmet entity is domiciled and shall be conducted in the English language. Judgment upon the award rendered by the Arbitrator(s) shall be binding and final.
- h. Any and all trade secrets, specifications, drawings, designs, samples, other technical, financial, product, marketing, sales, production, subcontracting, pricing and other confidential and/or proprietary information of a Party pertaining to the Products, Services or otherwise to this Contract, or to a Party, its products, businesses, operations, or plans, shall not be disclosed to any unauthorized third party by the other Party. The receiving Party shall ensure that its directors, officers, employees and agents comply with the obligations herein. Unless otherwise agreed to in writing by the Parties, the Parties' confidentiality, non-disclosure and non-use obligations herein shall remain in force to the maximum term permitted by applicable law.
- i. The provisions of this Contract constitute the entire and final agreement and understanding between Valmet and Buyer with respect to the supply of Products and Services under this Contract and all prior communications between the Parties, whether in writing or verbal, are superseded hereby.

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Valid as of January 1, 2017