

GENERAL TERMS AND CONDITIONS OF SALE FOR UNITED STATES



1. General

These general terms and conditions of sale (hereinafter “**General Terms**”) shall apply to all products (hereinafter “**Products**”) sold by Huhtamaki, Inc. with its domicile in De Soto, Kansas (hereinafter “**Seller**”) to its customers (hereinafter “**Buyer**”) and Buyer shall be deemed to accept these General Terms by ordering any Products, unless specifically agreed otherwise in writing between Seller and Buyer. These General Terms shall govern each order by Buyer and shall supercede all prior agreements, proposals and discussions between Seller and Buyer with respect to the purchase and sale of Products.

2. Seller's Commitments

Seller warrants that the Products shall at the time of delivery: (i) conform to Seller's then current sales specifications applied in Seller's normal business practice (hereinafter “**Sales Specifications**”) unless specifically agreed otherwise in writing between Seller and Buyer; and (ii) conform to the Federal Food, Drug and Cosmetic Act, as amended and to all applicable regulations, except that Products are only warranted for one (1) year from delivery to Buyer provided Buyer has properly stored such Product. All descriptions, drawings, photographs, illustrations, samples, performance and technical data, dimensions, weights and the like, contained in any promotional or technical material issued by Seller are subject to variation without notice and shall not be considered as Sales Specifications as such. Seller shall not be liable for any defect in parts, materials or equipment not supplied or manufactured by Seller.

3. Intellectual Property

3.1 Seller shall retain ownership of all its intellectual property rights and nothing herein shall grant to Buyer title, license or any other right to any intellectual property rights of Seller.

3.2 Except to the extent manufactured under the instructions of Buyer, Seller warrants that, to the best of Seller's knowledge, the manufacture of the Products does not infringe any patent of the country of the manufacture. Buyer assumes all responsibility for and indemnifies and holds Seller harmless (including reasonable attorneys' fees) for the use of any technical information, patent, design, trademark, trade name, or part thereof, printed or fitted on the Products at Buyer's request.

4. Warranty and Limitation of Liability

4.1 The commitments set out in Articles 2 and 3 above are Seller's sole warranties in respect of the Products. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING SUCH INFORMATION OR PRODUCTS. SELLER EXPRESSLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARISING UNDER STATUTE OR OTHERWISE. Any technical advice furnished by Seller to Buyer with respect to selection of Products shall be given and accepted at Buyer's own risk.

4.2 Buyer shall comply with all applicable laws and regulations and assumes all risk for compliance with applicable advertising, labeling and packaging laws, regulations and rules. Buyer shall inspect, at its sole cost and expense, the supplied Products immediately after delivery.

4.3 If any of the supplied Products are rejected because of nonconformity to Sales Specifications, the sole remedy available to Buyer shall be limited to replacement of the nonconforming Product. In the event the remedy provided herein shall be deemed to have failed of its essential purpose, then Buyer shall be entitled only to a refund of the amounts paid to Seller for such nonconforming Product. Seller shall have no further liability to Buyer on account of quantity or quality of Products delivered or non-delivery of Products. Failure to give written notice of any claim within thirty (30) days from the date of delivery and/or use of the supplied Products shall constitute an unqualified acceptance of such Products by Buyer and a waiver by Buyer of all claims in respect of such Products. Seller shall not be liable for damage caused by the acts or omissions of Buyer.

4.4 Except for death or personal injury caused by a defective Product, the maximum amount of damages recoverable in any event, whether at law, in tort, arising from breach of contract or from statutes, including negligence, shall be limited to the price paid by Buyer for the shipped Products with respect to which damages are claimed. IN NO EVENT SHALL SELLER BE LIABLE FOR LOSS OF PROFITS, LOSS OF BUSINESS, DEPLETION OF GOODWILL (WHETHER DIRECT OR INDIRECT), OR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES EVEN THOUGH SELLER MAY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES AND EVEN THOUGH SUCH DAMAGES OR LOSSES ARE OTHERWISE OBVIOUS OR REASONABLY FORESEEABLE.

5. Orders and Storage.

5.1 Acceptance of Orders. All orders are subject to acceptance by Seller. Seller reserves the right to withdraw Products without prior notice. Orders that do not conform to the current Seller volume or pricing policies, lead time requirements, order minimums, and other order and delivery requirements or that contain additional terms or terms that conflict with these General Terms shall be considered rejected without further notice to Buyer. Any and all applicable order requirements and lead times are designated in Seller's published price list or quotation.

5.2 Storage. In limited instances where Seller stores Product for Buyer as required by Buyer's order specifications, storage charges may be assessed to Buyer as designated by Seller.

6. Price and Payment Terms

6.1 Unless agreed otherwise, the price for the Products shall be Seller's price in effect at the time of shipment. Seller reserves the right, by written notice given at any time before shipment, (i) to change the previously agreed price, terms and conditions of payment or of transportation or the minimum requirement per shipment; and (ii) to increase the price of Products if there is any increase in the price or cost of the Products to Seller by virtue of foreign exchange fluctuations, currency regulations, changes in duties or taxes, increase in the cost of raw materials, labor, energy or transport or any other causes beyond the control of Seller. Buyer's failure to make written objection to the change or price increase in (i) or (ii) above within fifteen (15) days of the date of receipt of Seller's notice shall be considered acceptance. If Buyer objects within fifteen (15) days of the date of receipt of Seller's notice, Seller shall have the option (a) to continue to supply on the terms and conditions in effect prior to the announced change or increase, or (b) to cancel the affected quantities of Products with immediate effect, and shall advise Buyer accordingly within fifteen (15) days from receipt of Buyer's written objection.

6.2 The agreed price for the Products shall always be exclusive of any value added tax or other similar taxes, duties or imposts levied by any governmental agency (including, but not limited to, those at state or municipal levels) with respect to the Products supplied hereunder. If Seller is required by applicable law or regulation to pay or collect any such taxes, as enumerated in the preceding sentence on the Products supplied hereunder, then such taxes shall be paid by Buyer in addition to the payments of the agreed price for the Products.

6.3 Unless otherwise stated on the face of the invoice, Buyer shall pay each relevant invoice sent by Seller in respect of the Products no later than thirty (30) days after the date of the invoice by direct bank transfer to the bank account defined by Seller without setoff or deduction. The time for payment of Seller's invoices shall be of the essence of these General Terms. The interest rate for overdue payments is the greater of two (2) % per month or the maximum amount as permitted under the applicable law. The specific terms of payment shall be those set out in Seller's invoice. Buyer shall pay Seller's reasonable costs of collection, including attorneys' fees and other legal expenses. Seller may setoff any amounts owing from Buyer against any amounts payable by Buyer.

7. Title, Delivery and Risk of Loss

7.1 Seller shall transfer the Products with good title, free from any liens or encumbrances.

7.2 All Products are sold FOB Seller's facility, collect to Buyer unless otherwise provided in writing. Title to Products and risk of loss thereto shall pass to Buyer upon delivery of Products to the carrier, to Buyer's transport or to Seller's transport, as the case may be. Shipment terms as specified by Buyer other than as set forth in Seller's published price list or quotation will be at Buyer's expense. Shipment will be made as close as possible to the estimated shipping date but no guarantee of shipping date is made by Seller and in no event shall Seller be liable in any way for failure to ship Products on a certain date. Time for delivery shall not be of the essence. Seller reserves the right to ship, and Buyer agrees to accept and pay for, overruns or underruns up to but not exceeding ten percent (10%) of each component ordered. Seller shall not be responsible for payment of detention charges and/or lumper fees that have not been pre-authorized by Seller.

7.3 If orders are cancelled or modified, Buyer shall be responsible for the costs associated with all work in progress, any inventory, any costs in preparatory work and raw materials acquired specifically for Products. Buyer will be responsible for all non-recoverable costs incurred by Seller related to such cancellation or modification and will be invoiced accordingly.

7.4 Buyer shall be fully liable and shall indemnify and hold Seller harmless from and against all liability, losses, payments, costs, damages, expenses (including attorneys' fees and other legal expenses) and other liabilities of whatever nature incurred by Seller as a result of Seller's use of designs, specifications or instructions provided by Buyer to Seller, Buyer's failure to make any payment when it becomes due, or default in due performance or observance of any other Buyer's obligation.

7.5 In instances where Seller permits Buyer to pick-up Products at Seller's facilities, Buyer must arrange pick-up at such location in advance and in accordance with Seller's requirements.

7.6 For the purpose of the foregoing paragraphs of this section 7 and in the absence of evidence to the contrary, Products supplied by Seller to Buyer at any time shall be deemed to have been resold, used or processed in the order in which Products were supplied. Buyer shall not return the Products to Seller without prior approval and instruction.

8. Force Majeure

Neither party shall be liable for non-performance of its obligations if such non-performance is caused by accident, mechanical breakdown of facilities, fire, flood, natural disasters, strike, labor trouble, riot, revolt, war, acts of governmental authority, computer system failures, unavailability of materials, energy or components, delays in transportation or other contingencies beyond the reasonable control of the party affected. In case of force majeure event affecting Seller, Seller's obligations may be suspended, without liability, for so long as such event occurs but the supply relationship shall otherwise remain unchanged. The decision of Seller as to the quantities of the Products affected shall be final and binding.

9. Confidentiality

9.1 The parties hereto undertake towards each other during the term of the supply relationship and three (3) years thereafter to keep in the strictest confidence all confidential information and trade secrets received from the other party in connection with the supply relationship, and to use the said information for the purposes of the supply relationship only. However, the obligation above shall not apply to confidential information: (i) which the receiving party may prove having been in the possession prior to the first receipt from the other party; (ii) which at the date hereof or thereafter becomes a matter of public knowledge without a breach of this confidentiality obligation; or (iii) which the receiving party may prove having been obtained from a third party under circumstances permitting its disclosure to others.

9.2 The parties shall not, without prior written consent of the other party, disclose to any third parties that there exists any cooperation between the parties.

9.3 The shares of Huhtamäki Oyj are quoted on NASDAQ OMX Helsinki Ltd. Due to the cooperation between Buyer and Seller, Buyer acknowledges the possibility of having become or becoming an insider under the applicable securities laws and regulations and understands that the relevant securities laws and regulations shall thus become applicable and may contain additional and/or stricter restrictions as to the confidentiality and use of information received from Seller compared to what is included in these General Terms.

9.4 Notwithstanding Article 9.1 above, the obligation of nondisclosure and nonuse of Seller's trade secrets and manufacturing know-how shall not expire.

10. Non-performance

10.1 If Buyer fails to perform any of its obligations when due, Seller may, at its option, decline to make further deliveries except for cash, or may recall or defer shipments until such default is remedied, or may treat such default as final refusal to accept further shipments and cancel the supply relationship.

10.2 Seller shall be entitled to demand prepayment or the provision of security before production start, supply of outstanding deliveries or provision of other outstanding services, if such facts become known to Seller which have the potential to jeopardize the making of any payment by Buyer when due.

10.3 The foregoing rights shall be cumulative, alternative and in addition to any right or remedy Seller may have under these General Terms or by law or in equity.

11. **Performance by Affiliates.** At Seller's option, any obligation of Seller may be performed by Huhtamäki Oyj or any of its affiliates. Any deliveries made under this condition may be invoiced by such affiliate and shall constitute performance by Seller.

12. Assignments and Third Party Rights

12.1 Buyer shall not transfer nor assign its obligations to any third party (excluding the Buyer's affiliates) without Seller's prior written consent.

12.2 A person who is not a party to a contract incorporating these General Terms shall not have any right (whether under any statute or otherwise) to enforce any provision of that contract.

13. **Non-waiver.** Failure to exercise any rights shall not constitute a waiver thereof.

14. **Severability of Provisions.** If any provision of these General Terms should be held invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected.

15. Applicable Law and Dispute Resolution

Unless specifically agreed otherwise in writing, these General Terms and the supply relationship shall be governed by and construed in accordance with laws of the State of Kansas. The United Nations Convention on Contracts for the International Sale of Goods (1980) shall not apply to these General Terms or the supply relationship. Unless specifically agreed otherwise in writing, any dispute, controversy or claim arising out of or relating to these General Terms, the supply relationship or the breach, termination or validity thereof (whether contractual or non-contractual in nature) shall be finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The arbitration shall take place in Johnson County, Kansas. Regardless of the aforesaid, Seller shall alternatively be entitled to assert its own claims against Buyer at the courts at Seller's registered seat of business.

16. **Amendments.** These General Terms shall be subject to further amendments or rescission made by Seller without notice to Buyer. A valid version is available on its website, www.us.huhtamaki.com.