

SCHWEITZER-MAUDUIT INTERNATIONAL, INC.
PURCHASE ORDER TERMS AND CONDITIONS

1. Order: "Order" means the document entitled "Purchase Order," together with these Terms and Conditions, and any other document incorporated by reference and attached to this Order. These Terms and Conditions govern this Order. Shipment of any products described on the face of this Order ("Goods") or performance of any work described on the face of this Order ("Services") constitutes Seller's acceptance of these Terms and Conditions, regardless of whether Seller has signed or acknowledged the Order. No other terms, whether contained in a bid, estimate, acknowledgement, confirmation or invoice given by Seller, shall in any way modify or supersede any of the terms of this Order or be binding on Buyer, and Buyer expressly rejects all such other terms which have not been accepted in a writing signed by Buyer's authorized representative. The use of Seller's or Buyer's forms (other than this Order) is for convenience only and will have no effect with respect to this Order. Notwithstanding the foregoing, if there is an existing contract executed by both Buyer and Seller which governs the Goods or Services stated on this Order, then the terms and conditions of that contract shall prevail, and the terms and conditions attached to this Order or in any document issued by Seller shall have no force or effect.

2. Price and Payment: Unless otherwise specified, the prices stated in this Order constitute the entire compensation for the Goods or Services, and include all charges for packing, hauling, storage, transportation to point of delivery, and taxes. Sales and use taxes not subject to exemption shall be stated separately in Seller's invoice. Unless Buyer has otherwise agreed in writing, payment terms are **net 60 days** from the date Buyer receives Seller's invoice. No payments will be made by Buyer without an invoice containing supporting detail and a reference to this Order number. To the extent permitted by applicable law, Buyer has the right to offset debits payable to Seller and credits, regardless of the time and basis for such debits and credits.

3. Changes: Buyer may make changes within the general scope of this Order by delivering a written notice of change to Seller. Seller must notify Buyer in writing within five days after receipt of notice of change if the change will affect the delivery schedule or price. Buyer will not be responsible for any additional charge for such changes or for a change in delivery schedule unless authorized in writing by Buyer. Any changes in price or delivery schedule must be authorized in writing by Buyer. Seller shall not substitute or modify any Goods, component parts, tooling, sources of raw materials, processes, or manufacturing sites without Buyer's prior written consent. Buyer may at Buyer's option return to Seller any Goods which are supplied in excess of quantities ordered, at Seller's expense.

4. Packing and Marking: Seller must package all Goods shipped under this Order in accordance with the requirements in this Order, or, if requirements are not specified, in accordance with standard commercial practices. Each master carton in which Goods are shipped must contain a packing list indicating this Order number, description, quantity, item numbers, and other identifying information corresponding to the

information in this Order. All packages must be clearly marked in accordance with all laws, conventions or standards applicable in the country to which Goods are sent. In addition, each unit of the Goods must be labeled with the country of origin, weight and name of manufacturer.

5. Delivery: Seller shall strictly comply with delivery instructions contained on the front of this Order; if none are stated, Goods shall be delivered FCA destination designated by Buyer. Timely delivery of all Goods and performance of Services under this Order is of the essence. Seller will not be deemed in breach of this Order to the extent that a delay is either (a) authorized in writing by Buyer, (b) caused by Buyer or its agent's act or omission, or (c) due to circumstances beyond Seller's reasonable control and without Seller's fault or negligence. Seller must give Buyer immediate notice of any such delay and confirm in writing. In the event a delay arises from any cause other than as described in this section, Buyer will have the right to (x) require Seller to ship the Goods by expedited routing, (y) obtain replacement goods or services from alternative suppliers, or (z) return Goods or terminate all or part of this Order. Seller will be solely responsible for the cost of expedited shipping and any costs or damages incurred by Buyer in connection with the delayed Goods or Services, including the difference between the cost of replacement goods or services and the price of the delayed Goods or Services.

6. Inspection: Upon notice, Buyer may make inspection visit(s) at the site where the Goods are being designed or manufactured or Services performed. Upon request, Seller shall provide Buyer with written or verbal reports relating to the status of its performance hereunder. Neither inspection, testing, delivery nor payment for the Goods or Services shall constitute acceptance thereof.

7. Warranties: Seller warrants that all Goods shall (a) be new and of first quality; (b) be merchantable and free from defects; and (c) conform to specifications, descriptions and other conditions of this Order or samples or representations provided by Seller; and (d) be substantially the same as such goods sold by Seller during the 12 months preceding the date of this Order (including but not limited to same raw material specifications and/or formulations, testing parameters, major manufacturing processes and manufacturing sites) unless Seller has provided Buyer with prior written notice of such change. Seller warrants that all Services shall (a) be performed by competent and qualified personnel in strict accordance with all conditions and requirements contained in this Order or provided by Seller; and (b) reflect the highest standards of the trades or professions involved. With respect to any Goods designed by Seller or any of Seller's subcontractors or suppliers, Seller assumes full responsibility for the suitability, adequacy and safety of the design of such Goods. Seller also warrants that it shall obtain and assign or otherwise provide to Buyer the benefits of warranties and guarantees provided by manufacturers or suppliers of material or equipment incorporated into the Goods or Services, and shall perform its responsibilities so that such warranties or guarantees remain in full effect. Warranties shall extend to Buyer, its affiliates and customers and to users of the Goods or Services and shall run through any expiration date stated on the Goods, or, if no expiration date is stated, then for a

period of two (2) years after delivery.

If Buyer discovers that any Goods or Services fail to conform to the above warranties, then promptly after Buyer gives Seller notice of the nonconformity, Seller must, at Buyer's option, promptly repair, replace or modify any non-conforming Goods or re-perform the Services so that they conform, at no cost to Buyer. Seller must provide all labor, engineering, supervision, equipment, tools and materials necessary to affect the remedy, and Seller must bear all expenses in connection with the remedy, including costs of unpacking, examining, repacking and reshipping Goods. If a recall of the Goods or products incorporating the Goods is necessitated by nonconformity of the Goods, then Seller shall bear all costs and expenses of such recall, including costs incurred to meet obligations to third parties. If Seller is unable to remedy such nonconformity during a time period consistent with Buyer's reasonable requirements, Buyer may at Buyer's option remedy the nonconformity and Seller shall compensate Buyer for reasonable costs incurred to remedy the nonconformity. The foregoing warranties and remedies shall be in addition to any warranties or remedies provided by law and shall survive inspection, test, acceptance, and payment.

Seller warrants that title to all Goods will be good, and their transfer rightful, and that the Goods will be free from all security interests, claims, demands, liens and other encumbrances. If any Goods fail to conform to the above warranty, Seller must defend the title and must, at Buyer's option and at no cost to Buyer, promptly remove any such encumbrance or replace the Goods with Goods conforming to the above warranty. If Seller fails to do so, then Buyer, at Buyer's option, may either remove such encumbrance or revoke acceptance of the Goods and deduct costs from any amounts otherwise due Seller.

8. Insurance: Seller shall obtain and maintain the following insurance from companies acceptable to Buyer during the term of this Order: Worker's Compensation Insurance as required by law; bodily injury and property damage public liability insurance (including products and completed operations and contractual liabilities) of not less than \$1,000,000 per occurrence; automobile liability insurance of not less than \$500,000 combined single limit, or with such other limits as Buyer may specify in this Order or from time to time in writing. If Seller performs Services at Buyer's premises, Seller shall also obtain premises-operations, personal injury and independent contractors liability insurance of not less than \$1,000,000. Upon request, Seller shall provide Buyer with satisfactory evidence that such insurance is in effect.

9. Indemnification: To the fullest extent permitted by law, Seller shall defend, indemnify and hold harmless Buyer, its affiliates, employees and agents against all damages, claims, costs and expenses, including attorneys' fees (hereafter "Losses") to the extent arising out of or attributable to the Goods or Services, or from any act or omission of Seller, its agents, employees or subcontractors or which otherwise arises as a result of Seller's performance of this Order.

10. Intellectual Property Rights: Seller acknowledges that certain rights, title and

interest in intellectual property (including but not limited to patent, copyright, trademark and trade secrets) associated with the Goods may be owned by a third party. In such event, Seller warrants and represents that it is authorized by such owner to market, offer for sale, sell and distribute the Goods to Buyer. In any event, Seller covenants that the Goods will not infringe on any intellectual property rights of any third party. Seller shall indemnify, hold harmless, and, if requested by Buyer, defend Buyer and its affiliates against any and all claims, including but not limited to claims of Buyer's customers, that Goods or Services infringe any U.S. or foreign letters patent, copyright, trademark or any other rights and against any and all claims of unfair competition or trade secret violations, provided Buyer gives Seller prompt notice of any claim or proceeding and, at Seller's expense, gives Seller necessary information and assistance; and Seller shall defend, indemnify and hold Buyer, its affiliates and its customers harmless against any and all expenses, losses, royalties, profits, damages and costs (including attorneys' fees) resulting from any such claim or proceeding, including any settlement. Buyer may be represented by and actively participate through its own counsel in any such claim or proceeding if it so desires.

11. Proprietary Information-Confidentiality-Advertising: All information furnished by Buyer or any other person acting on behalf of Buyer and all information learned or observed about Buyer or its operations through performing this Order is confidential, and Seller shall not disclose any such information to any other person or use such information for any purpose other than performing this Order without Buyer's express written consent. All information in tangible form, including drawings, samples, models, specifications, or other documents provided by Buyer or developed or prepared specifically to fulfill this Order belong to Buyer, and may not be used for or revealed, divulged or made known to any third party without Buyer's prior written consent, other than to Seller's subcontractors and agents to the extent required to fulfill this Order. Upon Buyer's request, Seller must provide Buyer with all such materials. Seller assigns to Buyer, and shall require its employees and subcontractors to assign to Buyer, all rights, title and interest, including copyright, in any of the materials described above. Seller consents to the entry of temporary and permanent injunctive and other equitable relief in favor of Buyer to require the delivery of Buyer's property upon Seller's refusal to deliver such property after Buyer's request. Seller shall not publicize the fact that Buyer has contracted to purchase Goods or Services from Seller, nor shall any information relating to this Order be disclosed without Buyer's written consent. Unless otherwise agreed in writing, no information disclosed by Seller to Buyer shall be deemed confidential and Seller shall have no rights against Buyer with respect to Buyer's use thereof.

12. Compliance with Laws: Seller covenants that it meets or exceeds the International Labor Organization minimum age standards or applicable national law, whichever is higher, and does not use forced labor. Seller further agrees to comply with Buyer's Supplier Code for Responsible Procurement, as set forth at <http://www.swmintl.com/our-company/governance>, and with all applicable local and national laws and regulations, including but not limited to the following:

a. Seller shall not act in any manner or take any action that will render Buyer liable for a violation of any applicable anti-bribery legislation (including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010), which prohibits the offering, giving or promising to offer or give, or receiving directly or indirectly, money or anything of value to any third party to assist Seller or Buyer in retaining or obtaining business, selling Goods or performing Services under this Order.

b. If applicable, Buyer and Seller shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. If applicable, Buyer and Seller shall abide by the requirements of 29 CFR Part 471, Appendix A to Subpart A. Seller may not assign to perform Services any person who cannot establish eligibility for employment according to the verification requirements of the Immigration Reform and Control Act of 1986, as applicable, or whom Seller suspects may not be authorized to work in the United States.

c. All Goods and Services are manufactured and provided in compliance with all applicable labor standards and human rights laws, including the Fair Labor Standards Act (for goods made in U.S.), the California Transparency in Supply Chain Act, and provisions of the Dodd-Frank Act (conflict minerals rules). Without limiting the generality of the foregoing, Seller certifies that materials incorporated into the Goods comply with laws regarding slavery and human trafficking of the country(ies) in which they are doing business.

d. The Goods do not contain any substances regulated under the Toxic Substances Control Act or as a substance of very high concern (SVHC) in Annex XIV of the EU Registration, Evaluation, Authorization of Chemicals (REACH) directive, unless explicit notification is provided to Buyer in advance. Seller will provide Buyer the latest safety data sheets (SDS) for any chemical substances.

e. The Goods are consistent with, and can be used in compliance with, the Occupational Safety and Health Act (OSHA). Services to be performed on Buyer's premises will be consistent with OSHA provisions and in compliance with Buyer's environmental, health and safety rules, which will be communicated to Seller in writing.

f. The Goods are not adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act.

g. All Goods are produced and delivered in accordance with the Lacey Act, if applicable, and laws protecting the environment.

13. Termination for Convenience of Buyer: Buyer may at any time terminate this Order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work and shall immediately cause its suppliers or subcontractors to cease such work. Seller shall be paid a reasonable termination charge reflecting the percentage of the Goods or Services performed prior to termination notice, plus actual direct costs resulting from termination. Seller shall not be paid for any work performed after receipt of the termination notice, except that necessary to effect termination, nor for any costs incurred which reasonably could have been avoided. Any claims by Seller under this paragraph must be asserted in writing in detail within thirty (30) days of receipt of Buyer's termination notice.

14. Termination for Cause: Buyer may also terminate this Order or any part hereof for cause if the Seller fails to comply with any of the terms of this Order or is otherwise in default hereunder. In such event, Buyer shall not incur any liability for such termination, and without prejudice to any other remedy Buyer may have, Seller shall be liable to Buyer for any and all damages sustained by reason of the default.

15. Entire Agreement: This Order, and any documents referred to on the face hereof, constitute the entire agreement between the parties superseding all previous negotiations or agreements relating to the subject matter. Seller shall promptly notify Buyer of any discrepancies or conflicts appearing in this Order or in the documents.

16. Assignments and Subcontracting: Seller may not subcontract any part of this Order beyond that customary in the conduct of its business without Buyer's prior written consent. Seller may not assign this Order or amounts due hereunder without Buyer's written consent.

17. Waiver: Buyer's failure to insist on performance of any of the terms of this Order, failure to exercise any right or privilege, or its waiver of any breach hereunder shall not effect a waiver of any other right or privilege, whether of the same or similar type.

18. Independent Contractor: Seller, its subcontractors and other suppliers shall at all times be independent contractors and no express or implied representations to the contrary shall be made. Seller shall at all times retain exclusive liability for wages and all employment-related obligations due its employees and shall indemnify Buyer for any liability arising therefrom.

19. Statute of Limitations: All rights of Seller to commence any court action or proceeding with respect to this Order shall terminate one (1) year after the cause of action has accrued.

20. Expenses of Litigation; Applicable Law: This Order shall be governed by Delaware law, without regard to its conflicts of laws rules. In the event Buyer is involved in any litigation with respect to this Order, Buyer shall recover from Seller its costs and attorneys' fees incurred in enforcing or defending its rights hereunder. The parties agree that the United Nations Convention on the International Sale of Goods shall not apply to

this Order.

21. Miscellaneous: Captions preceding particular sections are for convenience only and are not to be construed as part of this Order or as limitation of the scope of a particular section to which they refer. Notices under this Order may be provided electronically with evidence of receipt. If any part of this Order is found to be unenforceable, the affected part shall be severed and the rest of this Order shall remain in force.

22. Language: The parties have requested that this Agreement and all documents, communications and documents relating thereto be expressed in the English language. Les parties ont exigé que la présente convention ainsi que tous documents s'y rattachants soient rédigés dans la langue anglaise.