



storaenso

**STORA ENSO
BUSINESS PRACTICE POLICY REFERENTIALS
June 2016**

SUBSTANCE TEST FORM

Company name:

Legal domicile:

Address of branch, in case business relationship with Stora Enso will be executed from a branch:

.....

1 Nature of the business operation

Please provide an in brief description of the business operation of the contractual party including functions and risks. The description shall include in which region the business activity will be executed. An indication in monetary terms (e.g. sales or profit) or volume (e.g. tons) is not requested. In case the contractual party belongs to a group of companies, please limit the description to the business operation of the contractual party itself and do not include functions and risks of other group companies or the group as such. In case the business relationship with Stora Enso will be executed by a branch or the contractual party runs also branches or business activities in other countries, please limit the description to the business activities in the country concerned.

Example:

Nature of the business is a centralized procurement of raw material from suppliers, located in the Eastern Europe. The goods will be purchased in the name and on behalf of the Contractual Party and sold further to our group internal companies in Europe, Middle East and Far East. In this context the company provides quality control, procurement planning for our group internal companies and acts as a centralized sourcing channel for our group companies. Centralization provides certain synergies for the group. Business risks, which are borne by the Contractual Party are in particular arising from the guarantee to provide certain quality level and the commitment to provide our internal customers with sufficient amount of raw material.

Description of the business operation:

.....
.....

2 Please confirm that the contractual party is sufficiently staffed to run the business described under question 1 of the Contractual Party in respective country.

This confirmation consists of two parts:

A. Qualitative part

The staff, based in respective country must have the capability and authority to make the decision connected to the functions and risks described under question 1.

B. Quantitative part

There is a sufficient amount of employees to run the functions described under question 1. This would probably not be the case, if a significant amount of work has been outsourced to, either related or unrelated parties.

Sufficient staff from a qualitative and quantitative perspective will be confirmed.

Yes

No



3 Number of employees

Please express the number of employees in Full-Time-Equivalents (FTEs) and indicate, whether this is the number of planned FTEs (in case of a start-up), the annual average of a calendar year or the number of FTE at a certain time point.

Example:

15 FTEs (31.03.2016)

Number of employees:

4 Please confirm that the contractual party has sufficient premises and equipment to run the business described under question 1 in respective country.

Sufficient premises and business equipment to run the operation are important indicators for business substance. Depending on the nature of the business the premises might be office space, space for industrial operation or other.

Sufficient premises and equipment will be confirmed

Yes

No

5 Premises and business equipment

A. Premises in square meters:

.....

B. Type of premises (e.g. offices, industrial premises etc.):

.....

C. Type of major business equipment (e.g. office furniture, machines etc.):

.....

6 Please confirm that the contractual party has the financial capacity to bear the risks connected to functions performed in that country.

Financial capacity to assume risk can be defined as access to funding to take on the risk or to lay off the risk, to pay for the risk mitigation functions and to bear the consequences of the risk if the risk materializes. Access to funding takes into account the available assets and the options realistically available to access additional liquidity, if needed, to cover the costs anticipated to arise should the risk materialize. This assessment should be made on the basis that the Contractual Party assuming the risk is operating as an unrelated party.

Financial capacity to bear the risks will be confirmed

Yes

No



7 Please confirm, that the contractual party and related parties act in alignment with local and international law, including but not limited to tax law.

The confirmation shall cover the contractual party itself, but also related parties, in particular direct or indirect shareholders of the company to the extent they have any obligation in connection with the business activities of the contractual party (e.g. to disclose shareholding in the company, Controlled-Foreign-Company taxation etc.) in the country of residence or any other country.

Alignment with local and international law will be confirmed

Yes

No

RESULT:

Positive **Negative**

Substance test completed by

_____ (Signature)