

LEASE AGREEMENT

Lessor: Alpha Netrise (M) Sdn Bhd (Co. No. 603392-K)

Lessee: SCA HYGIENE MALAYSIA SDN. BHD. (Company No. 320704-U)

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Premises anything which infringes or may infringe any of the laws of Malaysia or any rules, regulations or bye-laws made there under.

ARTICLE X

REPAIRS, MAINTENANCE AND INSPECTION

Section 10.01 Condition of Premises Upon Delivery of Vacant Possession To The Lessee

Upon the Lessor's delivery of possession of the practically completed Premises to the Lessee within the meaning and in the manner stipulated in the Agreement to Lease, the Lessee shall be deemed to have accepted vacant possession and physical control of the Premises in its condition as at that date (the "Date of Vacant Possession") but the Lease under this Agreement shall nonetheless commence on the Commencement Date Provided Always that the Lessee shall have a right to require the correction by the Lessor of any items listed by the Lessee in the defects list and identified in writing by the Lessee in connection with the Lessee's inspection of the Premises on or before the Date of Vacant Possession (the "Defects List") and further subject to the right of the Lessee to require the Lessor to correct any latent defects first discovered by the Lessee and identified in writing by notice to the Lessor within eighteen (18) months from the Date of Vacant Possession Provided Always the Lessor shall commence the rectification works diligently within two (2) weeks upon receipt of notification from the Lessee or receipt of the Defects List, as the case may be, and complete such rectification works diligently within a reasonable time thereafter, failing which the Lessee shall be at liberty at the Lessee's discretion to elect to rectify the same and the reasonable costs of such rectification shall be borne and paid by the Lessor absolutely .

Section 10.02 Lessor's Obligations To Repair

- (a) Unless such repairs or replacement shall be caused or contributed by the Lessee's negligent, or reckless conduct or occupation of the Premises, in which event the Lessee shall be fully liable and indemnify the Lessor fully, the Lessor shall:-
- (i) maintain in good condition and repair the roof (inclusive of flashing, gutters and downspouts provided that the Lessee shall keep all such gutters and downspouts open and free from obstructions), the floor slab, the structural elements and the exterior of the said Building;
  - (ii) for the first three (3) years of the Lease, be responsible for the maintenance replacement and repair of mechanical components of the production chillers and office air conditioning, the air conditioning system, generator set, lift, the transformers and dock levellers;
  - (iii) be responsible for the repair and replacement of any damaged subsurface water, sewer and plumbing lines or water tanks (due to normal wear and tear);

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- (iv) be responsible for the repainting and/or marking of the parking lots and driveways; and
  - (v) be responsible for any defects to the perimeter wall or any part of the Lands or the said Building due to soil settlement of the Lands caused by the said Building or any part thereof.
- (b) The Lessee agrees to notify the Lessor promptly relating to the Premises and known to the Lessee of any repair or replacement required of the Lessor to comply with its obligations under this Section Provided Always the Lessor shall commence the repairs and rectification works diligently within two (2) weeks upon receipt of notification from the Lessee specifying the repairs required to be undertaken by the Lessor pursuant to this Clause and complete such repairs and rectification works diligently within a reasonable time thereafter, failing which the Lessee shall be at liberty at the Lessee's discretion to elect to repair and rectify the same and the reasonable costs of such repairs/rectification shall be borne and paid by the Lessor absolutely.

Section 10.03

Lessee's Obligations To Repair

As of the delivery of possession of the practically completed Premises to the Lessee within the meaning and in the manner stipulated in the Agreement to Lease, the Lessee hereby irrevocably covenants to maintain the Premises (including all fixtures and fittings annexed, attached or erected thereon) in good order and repair and shall accept and assume complete and sole responsibility for the general maintenance and repair of the Premises save and except where the requirement for repairs or replacements arise due to the non-performance of the Lessor's obligations under Section 10.01 and 10.02 herein.

Without limiting the generality of the foregoing, the following specific responsibilities shall be carried out by the Lessee without any requirement of inspection of the Premises at any time by the Lessor:-

- (a) the Lessee shall maintain the interior of the Premises (including all fixtures and fittings annexed, attached or erected thereon) and the Lessee's improvements and fixtures in good tenable and repair condition and conform to all laws, orders and regulations of all governmental, local or state authorities applicable to the Lessee's use of the Premises, and at the end of the Lease Term, shall surrender the Premises in good tenable condition, fair wear and tear excepted. Upon surrender of the Premises, the Lessee may but shall not be obliged to remove any improvements and fixtures effected by the Lessee and signs owned by the Lessee unless the Lessor shall require the removal of the same in which eventuality the Lessee shall reinstate the Premises to its original state and condition when it was first delivered to the Lessee under the terms of this Agreement provided further that any such removal is completed prior to the Expiration Date and any damage caused by the removal of the same shall be repaired by the Lessee at its own costs or be paid by the Lessee to the Lessor prior to the refund of the Security Deposit;

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- (b) the Lessee shall maintain in good order and repair (fair wear and tear excepted) the interior of the Premises (including all fixtures and fittings annexed, attached or erected thereon), including but not limited to interior walls, ceilings, flooring (excluding defects in floor slab which is the Lessor's responsibility under Section 10.02(a)(i) above) and interior plaster, non-structural components or other surface material on the walls and ceiling thereof and other visible interiors, namely all glass, plate or otherwise in windows and doors and all attached equipment and fixtures thereon the interior of the Premises during the Lease Term;
- (c) save where the Lessor is responsible therefor pursuant to the provisions of Section 10.02(a) hereof, the Lessee shall service and maintain in good operating condition during the Lease Term all systems and components supplying heat, ventilation, air conditioning, gas, telephone, electricity, hot and cold water, sewer, sanitary and plumbing services and any other utilities now or hereafter furnished to the Premises including but not limited to production chillers and office air conditioning, the air conditioning system, generator set, lift, the transformers and dock levellers;
- (d) the Lessee shall be responsible for any modifications to the Premises and its facilities arising out of the Lessee's use of the Premises and for other improvements required to be complied arising from any amendments to the bye-laws, amendments to or the enactment of other similar laws resulting from the Lessee's use of the Premises;
- (e) For so long as the Lessee has exclusive use and possession of the Premises, the Lessee shall be responsible:-
- (i) to maintain all sweeping and markings of the parking area and on all walk accesses to the Building and the maintenance of the parking area or areas, sidewalk/ access areas, driveway and for keeping the parking area reasonably clean and for the care of any landscaping;
  - (ii) to maintain the general security of the Premises and the Lands; and
  - (iii) to maintain the landscape provided by the Lessor in or outside the Premises.

Section 10.04

Alterations

- (a) The Lessee shall have the right, at its expense, from time to time, to redecorate the Premises as it shall deem expedient or necessary for its business purposes but the Lessee shall not effect any alterations, modifications, amendments, renovations or additions to the Premises (whether structural or otherwise) unless prior written consent of the Lessor is obtained (which consent shall not be unreasonably withheld). If consented to by the Lessor, the Lessee shall carry out

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such permitted alterations, modifications, amendments, renovations or additions to the Premises (whether structural or otherwise) (the "Said Renovations") at its own costs and expense and in accordance with the Lessee's covenants herein and in compliance with all existing and prevailing laws and regulations.

(b) the Lessee hereby irrevocably covenants and undertakes the following when effecting any alterations or renovations permitted by the Lessor under this Section:-

(i) that the Said Renovations will only be effected after the Lessee shall have obtained all the required and necessary approvals from the relevant authorities and the Said Renovations shall only be carried out in accordance with such approvals;

(ii) that the Lessee shall within seven (7) days of the Lessor's request, deliver or cause to be delivered to the Lessor, the approved building and renovation plans pertaining to and in relation to the Said Renovations for inspection prior to the commencement of the said Renovations;

(iii) that the Said Renovations shall be effected and completed at the sole costs and expense of the Lessee without any compensation payable by the Lessor in any manner whatsoever;

(iv) that during the progress of the Said Renovations, to allow and permit the Lessor's representative or consultant, with reasonable prior notice of at least two (2) working days, to enter into the Premises to inspect the Said Renovations and the state and condition of the Premises;

(v) that in carrying out the Said Renovations and alteration works that it, its agents and or servants shall abide by the rules and regulations pertaining thereto imposed by the Lessor which shall be reasonable and that further shall not in any manner damage or cause any damage to the road, drainage, sewerage, piping, cable or any other structures or items put up by the Lessor or otherwise within the said Building;

(vi) that should any damage be done by the Lessee its agents or servants to the Premises or any part thereof or of any part of the said Building by the renovations or additions or alterations aforementioned, the Lessee shall repair and forthwith make good such damage to the satisfaction of the Lessor and in the event of the Lessee failing to repair or make good such damage as herein provided, then the Lessor shall be entitled to repair the same at the cost and expense of the Lessee.

(c) that notwithstanding any other provisions herein, in the event of the termination of this Agreement for any reason whatsoever (the "Termination Date") or the expiration of the Lease herein, as the case may be, the Lessee shall, if required by the Lessor, be obligated to reinstate and restore the Premises to its original

condition as at the Date of Vacant Possession or to the condition prior to the said Renovations, whichever the case may be, fair and normal wear and tear excluded (the "Restoration Works") on or before the Termination Date or the Expiration Date, as the case may be, failing which the Lessor shall be entitled to effect the Restoration Works at the costs and expense of the Lessee and to deduct the same from the Security Deposit.

Section 10.05      Signs

The Lessee shall have the right to erect exterior signs at the Premises with the size, height, quality and content subject to the requirements of all applicable zoning and land use laws and the approval of the relevant authorities. The Lessee shall be responsible to obtain all the required licenses, permits and Approvals from the relevant authority for such signs and pay the necessary fees, levies or charges to maintain the validity of such licenses, permits and Approvals from the relevant authority for the Lease Term.

Section 10.06      Excess Load

The Lessee shall not place upon the floors of the Premises a load in excess of 35 kN per square metre.

Section 10.07      Inspection

The Lessee shall permit the Lessor or its duly authorised agents upon giving two (2) working days prior notice to enter the Premises and examine the state of repair and condition thereof and to check and take inventories of the Lessor's fixtures, fittings and equipment therein and the Lessee will repair and make good all such defect and wants of repair thereto as may be necessary in compliance with the Lessee's obligations herein. Such notice in writing shall specify the repairs to be effected by Lessee and the Lessee shall within seven (7) days thereof proceed diligently to effect the required repairs failing which the Lessor may proceed to carry out the repairs and the cost of the same shall be repayable by the Lessee to the Lessor on demand. In such eventuality the Lessee shall permit the Lessor access and/or entry to the Premises to carry out such works or repairs on behalf of the Lessee.

ARTICLE XI

DAMAGE ATTRIBUTABLE TO CASUALTY

Section 11.01      Lessor's Obligation To Rebuild

In the event of damage to or destruction of the Premises or any part thereof, by fire, water, storm, tempest, earthquake, explosion, riots, civil commotion, enemy action or other inevitable cause (except when such event shall have been caused by any acts or

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