



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

### **GUIDANCE FOR ASSESSMENT ON THE SUBSTANCE TEST**

#### **1. Nature of the business operation**

This question is more to understand the business operation as such and basically not decisive for the outcome of the substance test. However, if there is no business operation, the counter party has failed the substance test.

#### **2. Sufficient staff**

A successful substance test requires confirmation.

#### **3. Number of employees**

This question is to verify that there is sufficient staff. In practice it might be difficult to assess, whether a certain number of employees is sufficient or not. One indication for non-sufficiency is, if the number of FTEs (full-time-equivalents) is rather low in proportion to the business we do. This means, if there a less than 0.3 FTEs per 1 MEUR/pa turnover with Stora Enso, we need further information to understand the reasonability of sufficient staff.

#### **4. Sufficient premises and equipment**

A successful substance test requires confirmation.

#### **5. Premises and business equipment**

This question is to verify that there is an appropriate premises and business equipment. Size of a premises and kind of business equipment might depend on the nature of the business. In case the main function of the counter party is trading or sourcing, office space should be sufficient. In this the square meters should at least be sufficient for one working place. In case SE's trading volume exceeds a certain level and assuming that Stora Enso might not be the only business partner of the Contractual Party, the office space should be at least sufficient to provide one working place per 2.5 MEUR/pa turnover, procurement volume.

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

A successful substance test requires confirmation.

#### **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.**

A successful substance test requires confirmation.