

## GENERAL LOG PURCHASE CONDITIONS – HS TIMBER PRODUCTIONS

1. THE QUALITATIVE CLASSIFICATION IS DONE ACCORDING TO THE DESCRIPTION FROM **DESCRIPTION OF QUALITY CLASSES**.
2. BONUS FOR THE ROUND WOOD DELIVERIES<sup>(2)</sup>

**QUARTERLY BONUS:** This is paid if 100% of the quarterly contracted volume was delivered.

The values of the quarterly bonus for the quantity of the round wood deliveries [lei/m<sup>3</sup>]:

Rough quarterly volume[m <sup>3</sup> ]	500 – 749	750 – 1499	1500 – 2999	3000 – 5999	over 6000
Quarterly bonus [lei/m <sup>3</sup> ]	10	15	20	35	40

Note: the bonus is paid only for the net delivered quantity which can be processed (it is not taken in in consideration the bark, industrial wood-IH, the wood with metal). The buyer can unilaterally amend these conditions.

3. FOR DELIVERIES OF **100% PEFC CERTIFIED ROUND WOOD** A BONUS OF 10 lei / m<sup>3</sup> IS OFFERED. (2)
4. TRANSPORTS HAVING OVER 15% IH CAN BE REJECTED.
5. FOR THE PINE DELIVERIES THE PRICE WILL BE REDUCED BY 50 RON/m<sup>3</sup>.
6. THE EXCLUSIVE DELIVERIES OF CX/BR QUALITIES CAN BE REJECTED.
7. HS TIMBER PRODUCTIONS DOESN'T SUPPORT AND DOESN'T ENCOURAGE ILLEGAL LOGGING. FOR THIS REASON, THE COMPANY REFUSES TO PURCHASE WOOD FROM SUPPLIERS JUDICIALLY CONVICTED FOR ILLEGAL LOGGING.
8. HS TIMBER PRODUCTIONS REFUSES ANY WOOD FROM NATIONAL PARKS. <sup>(1)</sup>
9. THE SUPPLIER WARRANTS THE LEGAL ORIGIN OF THE WOOD AND THAT IT HOLDS ALL THE NECESSARY APPROVALS ACCORDING TO THE ROMANIAN LEGISLATION IN FORCE. THE SUPPLIER WILL COVER ANY AND ALL DAMAGES INCURRED BY HS TIMBER PRODUCTIONS AS A RESULT OF ANY BREACH OF THESE LIABILITIES. <sup>(1)</sup>
10. THE SUPPLIER WILL MAKE SURE THAT THE ROUND WOOD DELIVERIES DESTINATED TO HS TIMBER PRODUCTIONS WILL BE DONE ONLY BY USING TRANSPORTATION MEANS EQUIPPED WITH GPS DEVICES AND USING THE TIMFLOW<sup>®</sup> SYSTEM.