

Technical and Acceptance Terms and Conditions (TATC)

Valid from March 1, 2022

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I. Technical and Acceptance Terms and Conditions for HPW (hard wood pulpwood)

Deduction
code

1. TREE SPECIES, TREE GROUPS:

Gr. I.: beech (BK), maple (JH), ash (JS), hornbeam (HB), birch (BR)

Gr. II.: oak (DB), cerium (CR), locust tree (AG)

Gr. III.: poplar (TD), aspen (OS), alder (JL), willow (VR), elm (BH), cherry (CS), chestnut (GJ)

2. DIMENSIONS:

a) Diameters from **8 cm** in the bark at the thinner end to a maximum sawlog diameter of **70 cm** in the bark in the length ranges of 2-4.5 m (hereinafter referred to as standard length) and 4.51-6 m (hereinafter referred to as non-standard length). Increase in lengths in individual stacks: **2 m; 2.5 m; 3 m; 4 m; 5 m; 6 m**. Allowed deviations in the length of wood in one stack are 0.5 m.

b) From **71 cm** small-end diameter under bark to **100 cm** large-end diameter under bark, length ranges up to **4 m**.

c) From **101 cm** small-end diameter under bark to **140 cm** large-end diameter under bark, length ranges up to **2.5 m**.

3. WOOD DEFECTS:

1. Soft rot permitted up to 2/5 (40%) of the trunk surface up to 15% of logs within any single shipment.
2. Crookedness is permitted with the wood: 10% with diameters up to 50 cm, 8% with diameters over 50 cm, twin-stems are not permitted.
3. Knots are permitted without limitation.
4. Shakes are permitted without limitation.
5. Splits are permitted in up to 5 pcs of sawlogs in a shipment.

4. DEDUCTION PERCENTAGE

The percentage deducted from the from the price of the shipment due to non-compliance with the technical conditions of shipments will be applied as follows:

4.1 Soft rot over permitted limit under 3.1

Number of sawlogs with soft rot or oak disease (*Pesotum piceae*).

Percentage deduction from the shipment price:

up to 15 %, without any deduction

- 0020 from 15 - 20 %**, - of the number of logs in one shipment, 2 % of the shipment price
- 0021 from 21 - 25 %**, - of the number of logs in one shipment, 5 % of the shipment price
- 0022 from 26 - 30 %**, - of the number of logs in one shipment, 10 % of the shipment price
- 0023 from 31 - 35 %**, - of the number of logs in one shipment, 15 % of the shipment price
- 0024 from 36 - 45 %**, - of the number of logs in one shipment, 20 % of the shipment price
- 0025 from 46 - 55 %**, - of the number of logs in one shipment, 30 % of the shipment price
- 0068 over 55 %**, - of the number of logs in one shipment - return the shipment to the Supplier

4.2 Small-end diameter

HPW under 8 cm

Number of thinner sawlogs:

% deduction from shipment price:

	up to 5 %, - of the number of logs in one shipment,	no deduction
0026	5 % - 10 %, - of the number of logs in one shipment	5 % of the shipment price
0027	11 % - 20 %, - of the number of logs in one shipment	10 % of the shipment price
0028	21 % - 30 %, - of the number of logs in one shipment	20 % of the shipment price
0069	over 30 %, - of the number of logs in one shipment	return shipment to the Supplier.

4.3 Mixed timbers within a shipment – all hardwood shipments (HPW, UHSL):

a) Within individual groups admixture of other than prevailing timber is permitted up to 30% of the shipment volume.

0032 Foreign timbers over 30% of the shipment volume will deduct 10% from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).

b) Between groups I. and II.: Admixture of other than consigned timber is permitted up to 20 %

0033 Foreign timbers 21 % - 30 % will deduct 10 % from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).

0034 Foreign timbers over 30 % will deduct 15 % from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).

c) Between groups I. and III or II. and III.: Admixture of other than consigned timber is permitted up to 10 % in total.

0060 Foreign timbers over 10 % will deduct 30 % from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).

0029 4.4 Crookedness – exceeding values specified in 3.2 of the Technical Terms and Conditions

For HWP, 5% deduction from the shipment price

Double crookedness is assessed the same way as simple; each piece shall be divided into sections with simple crookedness.

4.5 Occurrence of splits exceeding the values specified in point no. 3.5 of the Technical Terms and Conditions

Percentage deduction from the shipment price

0081 5.1% - 30% - of the number of sawlogs in one shipment, 2% of the shipment price

0082 over 30% - from the number of sawlogs in one shipment, 4% of the shipment price

5. MEANS OF TRANSPORT:

Shipments can be delivered by stake truck or in wagons **Sgnss; Sps, Snps, Res 3946, Laas, Roos and Eas, Eanos** as separate shipments only. Wagons must be ordered according to the Railway Transport Regulations (ŽPP) no later than 5 days before the intended day of loading. The sawlogs in one stack must be the same length.

Res wagons – preferably to be used with reinforced stakes and without side rails; if the wagon has side rails, it is necessary to fold them at least in the middle of the stack. To secure the load, interlacing of stakes must not be used.

II. Technical and Acceptance Terms and Conditions for HWP (hard wood pulpwood sawlogs)

Deduction
code

1. TREE SPECIES, TREE GROUPS:

Gr. I.: beech (BK), maple (JH), ash (JS), hornbeam (HB), birch (BR)

Gr. II.: oak (DB), cerium (CR), locust tree (AG)

Gr. III.: poplar (TD), aspen (OS), alder (JL), willow (VR), elm (BH), cherry (CS), chestnut (GJ)

2. DIMENSIONS:

a) Diameters from **8 cm** in the bark at the thinner end to a maximum sawlog diameter of **70 cm** in the bark in the length ranges of 2-4.5 m (hereinafter referred to as standard length) and 4.51-6 m (hereinafter referred to as non-standard length). Increase in lengths in individual stacks: **2 m; 2.5 m; 3 m; 4 m; 5 m; 6 m**. Allowed deviations in the length of wood in one stack are 0.5 m.

b) From **71 cm** small-end diameter under bark to **100 cm** large-end diameter under bark, length ranges up to **4 m**.

c) From **101 cm** small-end diameter under bark to **140 cm** large-end diameter under bark, length ranges up to **2.5 m**.

3. WOOD DEFECTS:

1. Soft rot permitted up to 2/5 (40%) of the trunk surface up to 15% of logs within any single shipment.
2. Crookedness is permitted with the wood: 10% with diameters up to 50 cm, 8% with diameters over 50 cm, twin-stems are not permitted.
3. Knots are permitted without limitation.
4. Shakes are permitted without limitation.
5. Splits are permitted in up to 5 pcs of sawlogs in a shipment.

4. DEDUCTION PERCENTAGE

The percentage deducted from the from the price of the shipment due to non-compliance with the technical conditions of shipments will be applied as follows:

4.1 Soft rot over permitted limit under 3.1

Number of sawlogs with soft rot or oak disease (*Pesotum piceae*).

Percentage deduction from the shipment price:

up to 15 %, without any deduction

- 0020 from 15 - 20 %**, - of the number of logs in one shipment, 2 % of the shipment price
- 0021 from 21 - 25 %**, - of the number of logs in one shipment, 5 % of the shipment price
- 0022 from 26 - 30 %**, - of the number of logs in one shipment, 10 % of the shipment price
- 0023 from 31 - 35 %**, - of the number of logs in one shipment, 15 % of the shipment price
- 0024 from 36 - 45 %**, - of the number of logs in one shipment, 20 % of the shipment price
- 0025 from 46 - 55 %**, - of the number of logs in one shipment, 30 % of the shipment price
- 0068 over 55 %**, - of the number of logs in one shipment - return the shipment to the Supplier

4.2 Small-end diameter

HPW under 8 cm

Number of thinner sawlogs:

% deduction from shipment price:

	up to 5 %, - of the number of logs in one shipment,	no deduction
0026	5 % - 10 %, - of the number of logs in one shipment	5 % of the shipment price
0027	11 % - 20 %, - of the number of logs in one shipment	10 % of the shipment price
0028	21 % - 30 %, - of the number of logs in one shipment	20 % of the shipment price
0069	over 30 %, - of the number of logs in one shipment	return shipment to the Supplier.

4.3 Mixed timbers within a shipment:

a) Within individual groups admixture of other than prevailing timber is permitted up to 30% of the shipment volume.

0032 Foreign timbers over 30% of the shipment volume will deduct 10% from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).

b) Between groups I. and II.: Admixture of other than consigned timber is permitted up to 20 %

0033 Foreign timbers 21 % - 30 % will deduct 10 % from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).

0034 Foreign timbers over 30 % will deduct 15 % from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).

c) Between groups I. and III or II. and III.: Admixture of other than consigned timber is permitted up to 10 % in total.

0060 Foreign timbers over 10 % will deduct 30 % from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).

0029 4.4 Crookedness – exceeding values specified in 3.2 of the Technical Terms and Conditions

For HWP, 5% deduction from the shipment price

Double crookedness is assessed the same way as simple; each piece shall be divided into sections with simple crookedness.

4.5 Occurrence of splits exceeding the values specified in point no. 3.5 of the Technical Terms and Conditions

Percentage deduction from the shipment price

0081 5.1% - 30% - of the number of sawlogs in one shipment, 2% of the shipment price

0082 over 30% - from the number of sawlogs in one shipment, 4% of the shipment price

5. MEANS OF TRANSPORT:

Shipments can be delivered by stake truck or in wagons **Sgnss; Sps, Snps, Res 3946, Laas, Roos and Eas, Eanos** as separate shipments only. Wagons must be ordered according to the Railway Transport Regulations (ŽPP) no later than 5 days before the intended day of loading. The sawlogs in one stack must be the same length.

Res wagons – preferably to be used with reinforced stakes and without side rails; if the wagon has side rails, it is necessary to fold them at least in the middle of the stack. To secure the load, interlacing of stakes must not be used.

III. Technical and Acceptance Terms and Conditions for UHSL (ungraded hardwood sawlogs)

1. TREE SPECIES, TREE GROUPS:

Gr.I.: beech (BK), maple (JH), ash (JS), hornbeam (HB), birch (BR)

Gr.II.: oak (DB), cerium (CR), locust tree (AG)

Proportion of assortments in each shipment:

Hard wood pulpwood ≤ 60

Hardwood logs (B) and hardwood logs (C) approx. 25%, in total $\geq 40\%$

2. DIMENSIONS:

a) Diameters from **8 cm** in the bark at the thinner end to a maximum sawlog diameter of **70 cm** in the bark in the length ranges of 2-4.5 m (hereinafter referred to as standard length) and 4.51-6 m (hereinafter referred to as non-standard length). Increase in lengths in individual stacks: **2 m; 2.5 m; 3 m; 4 m; 5 m; 6 m**. Allowed deviations in the length of wood in one stack are 0.5 m.

b) From **71 cm** small-end diameter under bark to **100 cm** large-end diameter under bark, length ranges up to **4 m**.

c) From **101 cm** small-end diameter under bark to **140 cm** large-end diameter under bark, length ranges up to **2.5 m**.

3. WOOD DEFECTS:

Permitted according to descriptions of hard wood pulpwood, hardwood logs C and B defined herein.

4. PERCENTAGE DEDUCTIONS:

Percentage deductions from the price of the shipment for non-compliance with the technical terms of delivery will be applied according to descriptions of hard wood pulpwood, hardwood logs C and B defined herein:

4.1 Mixed timbers within a shipment – hardwood shipments:

0059 a) *Within individual groups* admixture of other than prevailing timber is permitted up to 20% of the shipment volume.

Foreign timbers over 20% of the shipment volume will deduct 10% from the shipment price.

4.2 General defects

0070 In case the shipment does not meet the technical acceptance conditions valid for UHSL (ungraded hardwood sawlogs), the shipment will be reassigned to the quality class HWP (hard wood pulpwood).

5. MEANS OF TRANSPORT:

Shipments can be delivered by stake truck or in wagons **Sgnss; Sps, Snps, Res 3946, Laas, Roos and Eas, Eanos** as separate shipments only. Wagons must be ordered according to the Railway Transport Regulations (ŽPP) no later than 5 days before the intended day of loading. The sawlogs in one stack must be the same length.

Res wagons – preferably to be used with reinforced stakes and without side rails; if the wagon has side rails, it is necessary to fold them at least in the middle of the stack. To secure the load, interlacing of stakes must not be used.

IV. Technical and Acceptance Terms and Conditions for HT (hardwood timber for chemical processing)

1. TREE SPECIES, TREE GROUPS:

Gr.I.: beech (BK), maple (JH), ash (JS), hornbeam (HB), birch (BR)

Gr.II.: oak (DB), cerium (CR), locust tree (AG)

2. DIMENSIONS:

a) diameters from **20 cm** small-end diameter under bark, to **70 cm** large-end diameter under bark in the length ranges of 3 – 4.5 m (hereinafter referred to as standard length) and 4.5 - 6 m (hereinafter referred to as non-standard length). Increase in lengths in individual stacks: **3 m; 4 m; 5 m; 6 m**. Allowed deviations in the length of wood in one stack are 0.5 m.

b) diameters from **71 cm** small-end diameter under bark, to **100 cm** large-end diameter under bark, in standard length ranges up to max. **4 m**.

3. WOOD DEFECTS:

1. Soft rot permitted up to 15 cm in max. 3 logs within any single shipment.
2. Crookedness is permitted up to 5 %, twin-stems are permitted up to 5% of the number of logs.
3. Healthy knots are permitted without limitation. Unhealthy knots - 1 knot up to 15 cm is allowed, but in a maximum of 3 logs per shipment (unhealthy knots are considered soft rot).
4. Shakes caused by frost are permitted without limitation. Other shakes are allowed in a length equal to the diameter of the trunk up to 5% of the number of logs.
5. Splits are not permitted. In this case, the shipment shall be transferred into HWP category. A shake with a length of more than half the length of the sawlog is also considered a chip.

4. PERCENTAGE DEDUCTIONS

Percentage deductions from the shipment price for failure to comply with the Technical Terms and Conditions of Shipment will be applied as follows:

4.1 Soft rot over permitted limit under 3.1

Number of sawlogs with soft rot or oak disease (*Pesotum piceae*).

Percentage deduction from the shipment price:

0004	over the permissible limit according to point no. 3.1 up to 5%	2% of shipment price
0005	from 05 - 10 %, - of the number of logs in one shipment	2 % of shipment price
0006	from 10 - 20 %, - of the number of logs in one shipment	5 % of shipment price
0007	over 20 %, - of the number of logs in one shipment	10 % of shipment price

4.2 Small-end diameter

HT under 20 cm

Number of thinner sawlogs:

	up to 5 %, - of the number of logs in one shipment,	<u>% deduction from shipment price:</u> no deduction
0001	5 % - 10 %, - of the number of logs in one shipment	2 % of the shipment price
0002	10 % - 30 %, - of the number of logs in one shipment	5 % of the shipment price
0003	over 30 %, - of the number of logs in one shipment	transferred into HWP category.

4.3 Mixed timbers within a shipment – hardwood shipments:

- 0061** a) Within individual groups admixture of other than prevailing timber is permitted up to 20% of the shipment volume.
Foreign timbers over 20% of the shipment volume will deduct 10% from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).
- 0062** b) Between groups I. and II.: Admixture of other than consigned timber is permitted up to 20 %
Foreign timbers 21 % - 30 % will deduct 10 % from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).
- 0063** Foreign timbers over 30 % will deduct 15 % from the shipment price, accepted will be the heaviest tree species from the shipment (tree species with the highest ATRO coefficient).
- 0084** In the case of an admixture of wood that is not listed in the list of wood that can be supplied as HT - an admixture of more than 10% of the volume of the shipment shall result in deduction of 30% from the price of the shipment

4.4 Crookedness – exceeding values specified in 3.2 of the Technical Terms and Conditions

For HT up to 5% number of sawlogs with crookedness up to 8%: without deduction.

- 0010** For HT over 5% of the number of sawlogs with a crookedness of 5.1 - 8%: deduction of 5% from the shipment price.
- 0011** For HT with crookedness above 8%: transfer to HWP.
Double crookedness is treated as simple; each piece shall be divided into sections with simple crookedness.

4.5 Shakes in HT exceeding the values in 3.4 of the Technical Terms and Conditions

Number of logs with shakes: % deduction from shipment price:

- a) up to 5 %, - of log number within a single shipment, no deduction
- 0008** b) 5 % - 10 %, - of log number within a single shipment 5 % of the shipment price
- 0009** c) over 10 %, - of log number within a single shipment reassigned to HPW

- 0071** **4.6 Splits in HT** (according to point 3.5) **are not allowed**; transfer to HWP.

4.7 General defects

- 0070** In case the shipment does not meet the technical acceptance conditions valid for HT (hardwood timber), the shipment will be reassigned to HWP class (hard wood pulpwood).

5. MEANS OF TRANSPORT:

Shipments can be delivered by stake truck or in wagons **Sgnss; Sps, Snps, Res 3946, Laas, Roos** as separate shipments only. Wagons must be ordered according to the Railway Transport Regulations (ŽPP) no later than 5 days before the intended day of loading. The sawlogs in one stack must be the same length.

Res wagons – preferably to be used with reinforced stakes and without side rails; if the wagon has side rails, it is necessary to fold them at least in the middle of the stack. To secure the load, interlacing of stakes must not be used.

If, due to the lack of rail wagons, the supplier uses a high-walled Eas or Eanos type wagon for loading, he is obliged to attach to the bill confirming the ordering of stake wagons as primary option, confirmed by the relevant railway station.

V. Technical and Acceptance Terms and Conditions for HT B (hardwood timber B for chemical processing)

1. TREE SPECIES. TREE GROUPS:

Gr.I.: beech (BK)

2. DIMENSIONS:

a) diameters from **30 cm** small-end diameter under bark, to **70 cm** large-end diameter under bark in the length ranges of 3 – 4.5 m (hereinafter referred to as standard length) and 4.5 - 6 m (hereinafter referred to as non-standard length). Increase in lengths in individual stacks: **3 m; 4 m; 5 m; 6 m**. Allowed deviations in the length of wood in one stack are 0.5 m.

b) diameters from **71 cm** small-end diameter under bark, to **100 cm** large-end diameter under bark, in standard length ranges up to max. **4 m**.

3. WOOD DEFECTS:

1. Soft rot is not permitted.
2. Crookedness is permitted up to 4 %, twin-stems are permitted up to 5% of the number of logs.
3. Healthy knots are allowed 2 pcs per regular meter; unhealthy knots are not allowed.
4. Shakes caused by frost are permitted without limitation. Other shakes are allowed in a length equal to the diameter of the trunk up to 5% of the number of logs.
5. Splits are not permitted. In this case, the shipment shall be transferred into HWP category. A shake with a length of more than half the length of the sawlog is also considered a chip.

4. PERCENTAGE DEDUCTIONS

Percentage deductions from the shipment price for failure to comply with the Technical Terms and Conditions of Shipment will be applied as follows:

0052 4.1 Soft rot over permitted limit under 3.1

Shall be transferred into the HT category (other defects shall be evaluated according to HT criteria defined herein).

0051 4.2 Small-end diameter

Shall be transferred into the HT category (other defects shall be evaluated according to HT criteria defined herein).

0056 4.3 Mixed timbers within a shipment – hardwood shipments:

If there are more than 3 pieces of wood other than beech, the shipment will be transferred to HT. Furthermore, the shipment shall be assessed according to the TATC valid for HT.

0053 4.4 Crookedness – exceeding values specified in 3.2 of the Technical Terms and Conditions

Shall be transferred into the HT category (other defects shall be evaluated according to HT criteria defined herein).

4.5 Shakes in HT exceeding the values in 3.4 of the Technical Terms and Conditions

Number of logs with shakes: % deduction from shipment price:

- 0008**
- a) up to 5 %, - of log number within a single shipment, no deduction
 - b) 5 % - 10 %, - of log number within a single shipment 5 % of the shipment price

0009 c) over 10 %, - of log number within a single shipment reassigned to HPW

4.6 Knots

0055 If the shipment contains more than 2 healthy lumps per standard meter, or any unhealthy lumps, it will be transferred to pulpwood.

0071 **4.7 Splits in HT B** (according to point 3.5) **are not allowed**; transfer to HWP.

4.8 General defects

0070 In case the shipment does not meet the technical acceptance conditions valid for HT (hardwood timber), the shipment will be reassigned to HWP class (hard wood pulpwood).

5. MEANS OF TRANSPORT:

Shipments can be delivered by stake truck or in wagons **Sgnss; Sps, Snps, Res 3946, Laas, Roos** as separate shipments only. Wagons must be ordered according to the Railway Transport Regulations (ŽPP) no later than 5 days before the intended day of loading. The sawlogs in one stack must be the same length.

Res wagons – preferably to be used with reinforced stakes and without side rails; if the wagon has side rails, it is necessary to fold them at least in the middle of the stack. To secure the load, interlacing of stakes must not be used.

If, due to the lack of rail wagons, the supplier uses a high-walled Eas or Eanos type wagon for loading, he is obliged to attach to the bill confirming the ordering of stake wagons as primary option, confirmed by the relevant railway station.

VI. Technical and Acceptance Terms and Conditions for HT A/B (hardwood timber A/B for chemical processing)

1. TREE SPECIES. TREE GROUPS:

Gr.I.: beech (BK)

2. DIMENSIONS:

a) diameters from **30 cm** small-end diameter under bark, to **70 cm** large-end diameter under bark in the length ranges of 3 – 4.5 m (hereinafter referred to as standard length) and 4.5 - 6 m (hereinafter referred to as non-standard length). Increase in lengths in individual stacks: **3 m; 4 m; 5 m; 6 m**. Allowed deviations in the length of wood in one stack are 0.5 m.

b) diameters from **71 cm** small-end diameter under bark, to **100 cm** large-end diameter under bark, in standard length ranges up to max. **4 m**.

3. WOOD DEFECTS:

1. Soft rot is not permitted.

2. Crookedness is allowed only up to 4%, a natural lock created by twin-stems is allowed up to 5% of the number of sawlogs.

Warping is allowed up to 5 cm/bm; Tapering, ovality, reaction wood: unlimited.

3. Healthy knots are allowed 2 pcs per regular meter, unhealthy ones are not allowed

4. Cracks:

Peeling - allowed up to ¼ thickness of the trunk surface.

Marrow - they are allowed up to ⅓ of the thickness of the trunk surface.

Dry - lateral crossings are allowed up to ⅓ of the thickness of the trunk surface.

Frozen - only 1 pc without signs of rotting is allowed.

5. Splits in HT A/B are not permissible; the shipment will be transferred to HWP. A shake with a length of more than half the length of the sawlog is also considered a split.

6. False core: allowed up to ½ of the trunk surface area, flame-like is allowed up to ⅓ of the trunk surface area

7. Sweating: not allowed

8. Damage by insects: only superficial up to 3 cm is allowed.

4. PERCENTAGE DEDUCTIONS

Percentage deductions from the shipment price for failure to comply with the Technical Terms and Conditions of Shipment will be applied as follows:

0052 4.1 Soft rot over permitted limit under 3.1

Shall be transferred into the HT category (other defects shall be evaluated according to HT criteria defined herein).

0051 4.2 Small-end diameter

Shall be transferred into the HT category (other defects shall be evaluated according to HT criteria defined herein).

0056 4.3 Mixed timbers within a shipment – hardwood shipments:

If there are more than 3 pieces of wood other than permitted wood, the shipment will be transferred to HT. Furthermore, the shipment shall be assessed according to the TATC valid for HT.

0053 4.4 Crookedness, warping – exceeding values specified in 3.2 of the Technical Terms and Conditions

Shall be transferred into the HT category (other defects shall be evaluated according to HT criteria defined herein).

4.5 Shakes in HT exceeding the values in 3.4 of the Technical Terms and Conditions

<u>Number of logs with shakes:</u>	<u>% deduction from shipment price:</u>
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a) up to 5 %, - of log number within a single shipment,	no deduction
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0008 b) 5 % - 10 %, - of log number within a single shipment	5 % of the shipment price
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0009 c) over 10 %, - of log number within a single shipment	reassigned to HPW
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4.6 Knots

0055 If the shipment contains more than 2 healthy lumps per standard meter, or any unhealthy lumps, it will be transferred to pulpwood.

0071 4.7 Splits in HT A/B (according to point 3.5) **are not allowed**; transfer to HWP.

0070 4.8 General defects

If the shipment does not meet the technical - acceptance conditions valid for HT A/B (hardwood timber A/B - for chemical processing) to a greater extent than 3 pieces of sawlogs per shipment, the shipment will be reassigned to the quality class HWP (hard wood pulpwood).

5. MEANS OF TRANSPORT:

Shipments can be delivered by stake truck or in wagons **Sgnss; Sps, Snps, Res 3946, Laas, Roos** as separate shipments only. Wagons must be ordered according to the Railway Transport Regulations (ŽPP) no later than 5 days before the intended day of loading. The sawlogs in one stack must be the same length.

Res wagons – preferably to be used with reinforced stakes and without side rails; if the wagon has side rails, it is necessary to fold them at least in the middle of the stack. To secure the load, interlacing of stakes must not be used.

If, due to the lack of rail wagons, the supplier uses a high-walled Eas or Eanos type wagon for loading, he is obliged to attach to the bill confirming the ordering of stake wagons as primary option, confirmed by the relevant railway station.

VII. Technical and Acceptance Terms and Conditions for SPW (soft wood pulpwood)

1. TREE SPECIES. TREE GROUPS:

Gr. I.: spruce (SM), fir (JD)
Gr. II: pine (BO), larch (SC)

2. DIMENSIONS:

Diameters from **8 cm** in the bark at the thinner end to a maximum sawlog diameter of **70 cm** in the bark in the length ranges of 2-4.5 m (hereinafter referred to as standard length) and 4.51-6 m (hereinafter referred to as non-standard length). Increase in lengths in individual stacks: **2 m; 2.5 m; 3 m; 4 m; 5 m; 6 m**. Allowed deviations in the length of wood in one stack are 0.5 m.

3. WOOD DEFECTS:

1. Soft rot permitted up to 2/5 (40%) of the trunk surface up to 15% of logs within any single shipment.
2. Crookedness is permitted with the wood: 15% with diameters up to 50 cm, 8% with diameters over 50 cm, twin-stems are not permitted.
3. Knots are permitted without limitation.
4. Shakes are permitted without limitation.

4. PERCENTAGE DEDUCTIONS

Percentage deductions from the shipment price for failure to comply with the Technical Terms and Conditions of Shipment will be applied as follows:

0065 4.1 Deliveries in lengths of 2m; 2.5m - 5% deduction from the price of the shipment.

4.2 Soft rot over permitted limit under 3.1

Percentage deduction from the shipment price:

up to 15 %, without any deduction

- 0020 from 15 - 20 %**, - of the number of logs in one shipment, 2 % of the shipment price
0021 from 21 - 25 %, - of the number of logs in one shipment, 5 % of the shipment price
0022 from 26 - 30 %, - of the number of logs in one shipment, 10 % of the shipment price
0023 from 31 - 35 %, - of the number of logs in one shipment, 15 % of the shipment price
0024 from 36 - 45 %, - of the number of logs in one shipment, 20 % of the shipment price
0025 from 46 - 55 %, - of the number of logs in one shipment, 30 % of the shipment price
0068 over 55 %, - of the number of logs in one shipment, return the shipment to the supplier

4.2 Small-end diameter

SPW under 8 cm

	<u>Number of thinner wood logs:</u> <u>shipment price:</u>	<u>Percentage deduction from the</u>
	up to 5 %, - of log number within a single shipment,	no deduction
0026	5 % - 10 %, - of log number within a single shipment	5 % of the shipment price
0027	11 % - 20 %, - of log number within a single shipment	10 % of the shipment price
0028	21 % - 30 %, - of log number within a single shipment	20 % of the shipment price
0069	over 30 %, - of log number within a single shipment	return the shipment to Supplier.

4.3 Mixed timbers within a shipment – softwood shipments:

Mixed softwood timbers between groups SM/JD and BO/SC.

- permitted up to 5 %
- 0041 - over 5 %, 5 % deduction from the shipment price

4.4 Crookedness – exceeding values specified in 3.2 of the Technical Terms and Conditions

- 0029 For SPW, 5 % deduction from the shipment price.
Double crookedness is assessed the same way as simple; each piece being divided into sections with simple crookedness.

5. MEANS OF TRANSPORT:

truck transport (stake struck). Wagon transport may be used only upon mutual agreement of the contracting parties under the conditions specified in the agreement. There can only be one length span of wood in one stack.

VIII. Conditions and deductions valid for all assortments

0043 Unremoved root growths are allowed up to 5% of the number of pieces in the delivery, above 5%:
deduction of 2% from the price of the shipment.

Raw cut (insufficiently removed branches, etc.)

Up to 5% of the number of sawlogs in the shipment: without deduction

0072 Over 5% of the number of sawlogs in the shipment: deduction of 2% from the price of the shipment

0050 Metal objects visible to the naked eye in the wood and the shipment:
deduction of 30% from the price of the shipment.

Sections of different length spans in one stack.

0073 When delivering a sawlog shorter than 1.5 m – shipment will not be accepted and shall be returned to the supplier.

0045 If the length deviation of sawlogs is exceeded by more than 1.5 m - deduction of 5% from the price of the shipment.

Linden in the shipment - any admixture:

0046 Up to 5 sawlogs in a shipment: 30% discount on the shipment price

0074 More than 5 sawlogs in the shipment: shipment will not be accepted and shall be returned to the supplier.

0083 Wood damaged by fire - shipment will not be accepted and shall be returned to the supplier.

Contamination by foreign objects (coal, iron ore, etc.) in the shipment - any admixture:

0075 Up to 5 sawlogs in a shipment: 30% discount on the shipment price

0076 More than 5 sawlogs in the shipment: shipment will not be accepted and shall be returned to the supplier.

Mixing of woods in a shipment - applies to all shipments:

0077 Mixing softwood and hardwood is inadmissible. Shipment will not be accepted and shall be returned to the supplier.

0078 Fastening the shipment with wire:
deduction of 15% from the price of the shipment.

0079 Interlacing of stakes on the Res wagon:
deduction of 15% from the price of the shipment.

0057 Using the wrong type of wagon:
deduction of 10% from the price of the shipment.

Deliveries of oversized wood

The supply of oversized wood is considered as the supply of sawlogs, the maximum diameter of which exceeds 70 or 100 cm in any place of the sawlog. Any deduction is granted from the entire shipment, assessed individually after settlement.

Deduction for splitting sawlogs with a diameter of over 70 cm

0048 For one stack: 2% deduction from the price of the shipment

0047 For more than one stack: 5% deduction from the price of the shipment

0035 Admixture of sawlogs with a trunk diameter over 70 cm in a shipment or in a stack:
deduction of 15% from the price of the shipment.

0066 Admixture of sawlogs with a diameter of ≤ 70 cm in the category of deliveries with a diameter of over 70 cm: record of deliveries, notification of the supplier.

Delivery of non-standard lengths

Deduction for cutting sawlogs over 4.5 m

0048 For one stack: 2% deduction from the price of the shipment

0047 For more than one stack: 5% deduction from the price of the shipment

0064 Admixture of sawlogs longer than 4.5 m in deliveries under 4.5 m: deduction of 15% from the price of the shipment

Wedging of stacks in the van

0044 The shipment must not contain individual stacks of wood wedged together: 5% deduction from the delivery price.

The seller, not the carrier, is responsible for providing the delivery with a valid delivery note (hereinafter referred to as "DN"). The seller will ensure that the driver of the carrier confirms the loading without wedging the wood stacks with his signature on the DN.

In the case of wedged stacks during loading, the driver of the carrier shall write "Wedged stacks" in the designated place in the DN before he signs the document.

Responsibility for wedging is on the part of:

A) Seller, as far as:

- the delivery note contains the inscription "wedged stacks" and the signature of the driver and the seller's representative

B) Carrier, as far as:

- the delivery note does not include the inscription " wedged stacks " and is signed by the driver and the seller's representative

C) Seller and Carrier – both equally, as far as:

- the delivery note does not include the signature of the driver and the seller's representative

Overloaded wagons

0080 Overloaded wagons: reimbursement of costs 350 € /wagon.

Due to the technical limit of the MONDI SCP a.s. railway siding, the load of 1 wagon axle is limited to 20 tons. For a four-axle wagon, the limit is 80 tons gross (wagon weight + weight of loaded wood).

In the case of exceeding the specified weight limit, the customer has the right to claim compensation for the average increased costs associated with cargo adjustment.

IX. Defective goods - Warranty

1. The quality of all deliveries is assessed by MONDI SCP a.s. Failures to comply with the conditions stated in this document are resolved by the specified deductions from the price, in complaint procedures with suppliers, while complaints are resolved through the Buyer's logistics software - Wood Logistic System (hereinafter WLS), the personal participation of the supplier, or by phone or in writing. Shipments with a discount of up to 30% can be used directly, shipments with a discount of more than 30% are placed in a reserved place until the complaint is resolved.

2. The claim can be contradicted by not accepting it and justifying it through the Buyer's logistics software - WLS within three days from the notification of the claimed delivery sent by this system.

3. Only defects in deliveries as stated herein are considered claims and claim deductions. Deliveries in which the delivered type of wood or the documents relating to it (especially the delivery (consent) letter) are improperly handled are not considered to be defects in the delivery. In such case, such delivery is considered as failure to perform under the contract and the buyer has the right to withdraw from the contract and refuse the delivery.

X. Final provisions

1. The framework contract or quarterly contract may specify and adjust the scope of the TATC's individual points. The contracting parties have agreed that if the individual rights and obligations of the parties stated in the relevant annex to the framework agreement are deviating from the provisions of the framework agreement, or if their interpretation is disputed, the obligations of the parties agreed in the framework agreement/the quarterly contract, take precedence.

2. In case of non-compliance with TATC of deliveries at several points in one shipment, the percentage deduction from the price of the shipment is made up of the sum of the deductions in question.

In Ružomberok on January 1, 2023