

11 Value Added Processing

- 11.1 The Buyer acknowledges incurring obligations under this clause 11 for valuable consideration received from the General Manager and acknowledges that failure by the Buyer to perform its obligations under this clause 11 will cause loss to the General Manager.
- 11.2 Subject to clause 8, the Buyer must process into Value Added Timber Products all Log Timber delivered to the Site in accordance with the Proposal and on the terms and conditions of this agreement.
- 11.3 If, in the General Manager's reasonable opinion, the Buyer fails to fulfil its obligations under Clause 11.2 and such failure is not remedied within 21 days of the General Manager's notice to the Buyer requiring the failure to be remedied, then, subject to clause 21.6, but notwithstanding any other provision in this agreement, the General Manager, at the General Manager's discretion may, without penalty or other compensation, on not less than 6 months' notice from the General Manager to the Buyer ("Notice") either terminate this agreement or reduce, for the residue of the Term, the Log Timber Intake by an amount the General Manager deems appropriate.
- 11.4 Subject to clause 21.6, this agreement will terminate, or the reduction in the Log Timber Intake will take effect, 6 months from the date of the Notice or on the date specified in the Notice (whichever is the later).

12 Value Added Processing

- 12.1 The Buyer acknowledges incurring obligations under this clause 12 for valuable consideration received from the General Manager and acknowledges that failure by the Buyer to perform its obligations under this clause 12 will cause loss to the General Manager.
- 12.2 Subject to clause 9, the Buyer must process into Value Added Timber Products not less than 60% of the Log Timber delivered to the Site during each Year.
- 12.3 If, in the General Manager's reasonable opinion, the Buyer fails to fulfil its obligations under Clause 12.2 and such failure is not remedied within 21 days of the General Manager's notice to the Buyer requiring the failure to be remedied, then, notwithstanding any other provision in this agreement, the General Manager, at the General Manager's discretion may, without penalty or other compensation and without prejudice to the exercise by the General Manager of any other rights and remedies which the General Manager may have under this agreement, at law, in equity, or under statute, on not less than 6 months' notice from the General Manager to the Buyer ("Notice") either terminate this agreement or reduce, for the residue of the Term, the Log Timber Intake by an amount the General Manager deems appropriate.
- 12.4 This agreement will terminate, or the reduction in the Log Timber Intake will take effect, 6 months from the date of the Notice or on the date specified in the Notice (whichever is the later).
- 12.5 Notwithstanding any other provision of this agreement, if the mix of sawlogs delivered to the Buyer during a Year is less favourable than the mix specified in schedule 1 or any alternative mix agreed between the parties from time to time, then the Buyer will use its best endeavours to comply with the requirements set out in clause 12.2 in respect of that Year but:
- (a) the Buyer shall not incur any liability to the General Manager in respect of any non-compliance; and
 - (b) the provisions of clause 12.3 shall not apply in respect of that Year,
- if the Buyer is unable to comply with those requirements