



## ***Don't know exactly when you will need to replace mats because of uncertain attrition or lease/rental terms?***

*Problem:* You have an unknown attrition rate, or an unknown length of lease or rental contract to current customers, and/or you don't know if you will need additional mats because of ground conditions, seasonality, or owner constraints.

*General Solution:* World Forest Group can provide a BOGO (Buy One, Get One) long-term, fixed-price mat contract that gives you the ability to buy initial mats at market price and extend the agreement to buy additional mats at our cost of production.

### *Real World Problems:*

1. A large mat company knows that a certain amount of their mats fall out of the fleet each month. They want to replace those mats, but under current uncertainty they don't know if the attrition rate is constant (business as usual), slower (business impacted by events), or faster (business picks up as the economy opens up.)
2. A mat company has mats out for lease or rent. They don't know if the customer will extend their typical six-month lease or not. If the customer extends the lease then the mat company will need to buy more mats to service other customers. If the customer terminates the lease on time, the mat company can use those mats for the fleet.

*Real World Solution:* World Forest Group can reduce the timing problem by offering large customers a fixed price contract on a portion of WFG's monthly mat production over a three or six-month period. World Forest Group guarantees a locked-in market price for the term of the agreement. If you need more mats, you extend the contract and we deliver the additional mats to you at a greatly discounted (marginal cost) price.

*Solution Illustration:* (Assume market price in Houston for 18'x8"x4' mats is \$455/mat.)

1. You get to choose 500-2000 mats/month for three or six months at \$455/mat CIP HOU. Terms: Letter of credit. 10% down. Remainder due 5 days after delivery.
2. At the midway point of the term (e.g. day 90 on a six-month contract) you decide if you need additional mats or not. If you do, you get the ability to double your



A BETTER TIMBER MAT

order at our marginal cost, no profit, no overhead - \$383/mat CIP Houston.  
Terms on the extension: Same as original.

3. You cannot extend more than once.
4. Limited to one offer per customer.
5. If no LC then, 45% down, balance due 5 days after delivery.

*Why would World Forest Group offer this?*

1. We want our mats in your hands. Every time you or your customer uses our mats it's good for us.
2. We don't shut our plant. So, as long as we can cover our raw material costs, we have some flexibility in pricing. We pass that on to you...for a limited time and limited volume.
3. When times are good again, we hope that you will remember us as the company who tried to help in difficult times.
4. The contractor can also put a small portion of their annual attrition mat purchases into a long-term, fixed price solution with World Forest Group. The contractor can use fixed pricing for A Better Timber Mat to keep other mat vendors competitive.