

## **Regulations of the 33rd Auction of Valuable Oak Wood**

### **§ 1**

#### **[Designation of concepts and terms]**

1. Entrepreneur – a natural person, a legal person and an organizational unit granted legal capacity by law, conducting business or professional activity on its own behalf.
2. Auction participant – entrepreneur interested in purchasing wood.
3. Organizational unit of the State Forests - regional directorate of the State Forests, forest district, Department of the State Forests.
4. Auction organizer - organizational unit of the State Forests - Regional Directorate of State Forests in Poznań.
5. Leading unit - an organizational unit of the State Forests with an exhibition site at its disposal, responsible for organizing and conducting auctions and/or concluding contracts on behalf of the Seller - Krotoszyn Forest District.
6. Cooperating unit - a LP unit that delivers wood to the exhibition yard(s) of the leading unit.
7. Lot - the object of the auction, which consists of single logs or logs; a group of logs or logs may be marked as a "lot".
8. Cubic meter [m<sup>3</sup>] - a unit of measurement of wood in a lot, without bark.
9. Starting price 1 m<sup>3</sup> - net price in PLN, at which the bidding for 1 m<sup>3</sup> of a given ticket begins.
10. Deposit - a specified sum of money - amounts in the amount of PLN 50,000 or EUR 10,000, submitted by the auction participant by January 14, 2025 in order to

participate in the auction, to the indicated account of the Krotoszyn Forest District.

Account number:

for payment in **PLN: 59 1020 2212 0000 5602 0349 4168**

for payment in **EURO: PL 78 1020 2212 0000 5102 0462 0920**

## § 2

[Determination of parties]

1. Seller - Forest District from the area where the wood constituting a given lot was harvested.
2. Buyer – auction participant who made a purchase by submitting the highest price during the auction for a given lot, confirmed by the acceptance of the auctioneer.

## § 3

[Determination of the offer and offer deadlines]

1. To determine the diameter of the wood when calculating the volume, the measurement principles specified in the Technical Conditions - Principles of preparation for measurement, measurement, calculation of the volume and marking of the wood raw material introduced by Order No. 51 of the DGLP of September 30, 2019 are used. For each log or log, is to protect the wood up to a maximum of 40 cm.
2. Each auction participant receives a catalog of lots containing detailed data on the exhibition locations and individual lots; the catalog is available at the headquarters of the RDSF in Poznań, the headquarters of the forest districts selling wood at the auction and on the website of a given RDSF.

3. Entrepreneurs are entitled to enter the wood exhibition square located in:

- a. Jelonek Forest District in the Krotoszyn Forest District,
- b. Biadki Depot in the Krotoszyn Forest District.

in order to inspect it. The wood will be available for inspection at the exhibition squares on working days from January 13 to 15, 2025, from 7:00 a.m. to 3:00 p.m.

4. The auction of individual lots will take place on January 16, 2025 at 9:00 a.m. at the Wawrzyniak Hotel in Perzyce.

#### § 4

[Conditions of participation in the auction]

1. The condition for participating in the auction is:

- a) registration of the auction participant at the auction secretariat on January 16, 2025 at from 8:00 to 9:00,
- b) payment of a deposit in the required amount of PLN 50,000.00 or EUR 10,000.00, subject to the provisions of §4, section 4,
- c) submitting a declaration signed by the auction participant that he has read the auction regulations and accepts them,
- d) positive verification consisting in checking whether the entrepreneur is registered in the Central Customer File and presenting documents allowing the entrepreneur's identification,
- e) the participant receives an identification number used to carry out the bidding and which is valid for the entire duration of the bidding.

2. If the registration documents, e.g. the National Court Register or a certificate from the Central Registration and Information on Business, do not indicate the right to represent the entrepreneur, a power of attorney signed by the person authorized to represent the entrepreneur must be attached.

3. Auction participants are excluded:

a) who, on the day of the auction, have overdue receivables not covered by the security amount towards the organizational units of the State Forests,

b) who, in the previous three auctions held at the RDLP in Poznań, did not sign the contract or did not complete it in whole or in part,

c) are not registered in CKK,

d) they have not paid the deposit in the required amount or do not meet the provisions of §4, section 4.

4. Only those Auction participants who meet the following requirements are exempt from paying the deposit:

a) they have security for the receivable in the form of a bank guarantee, such a guarantee must:

i. determine the beneficiary in such a way that the claims of the Timber Auction Organizer are secured,

ii. not limit the beneficiary's claims to specified contracts,

iii. determine the value of the security in Polish currency at a free security amount not lower than PLN 50,000.00,

iv. in the material scope, it must provide for securing the beneficiary's claims for at least contractual penalties in transactions arising from contracts for the sale of wood raw materials,

v. be valid until at least March 31, 2025.

b) will not be entitled to 0% VAT in particular: export of wood as part of an intra-community supply of goods (Intra-Community Supply of Goods) or Intra-Community Supply of Goods as part of chain transaction as part of a triangular transaction or indirect export of goods within the meaning of Art. 13 of the Act of March 11, 2004, Goods and Services Tax Act).

5. Failure to meet the conditions specified in §4 section 4 letter a and b, after verification by an employee of the Auction organizer of the data in the LP IT system, is treated as failure to meet the conditions for participation in the Auction by the entrepreneur.

## § 5

### [Auction rules]

1. The official language during the auction is Polish.
2. Only participants who have registered their participation in the auction have the right to be present in the hall during the auction, unless the auctioneer orders otherwise.
3. The price of 1 m<sup>3</sup> of wood in individual lots is the net price ex-exhibition place.
4. The auction price is in PLN.
5. The bidding proceeds from the starting price are at least PLN 200 or a multiple of this amount.
6. If the starting price is not reached, the lot will be withdrawn from the auction.
7. Doubts and disputes arising during the auction regarding the sales prices and the Buyer's findings are resolved by the auctioneer at the time they arise, i.e. during the auction of a given lot.
8. The Seller reserves the right to withdraw a lot from the auction without giving a reason.

9. An auction participant's submission of the highest price for a particular lot, confirmed by the auctioneer's acceptance (by awarding a bid), constitutes the conclusion of a contract. The conclusion of the contract will be confirmed in writing.

10. The Seller undertakes to return the deposit in full to auction participants with whom no contract was concluded within 5 business days from the end of the auction.

11. The Organizer reserves the right to change the terms of the auction or cancel the auction without giving a reason no later than the auction day.

## § 6

### [Final Provisions]

1. The day of conclusion of the contract is the day of the auction.

2. Buyers who purchased wood at the auction are obliged to sign a sales contract immediately after the end of the auction.

3. To the extent not regulated by the auction regulations, the provisions of the Civil Code shall apply, as well as Order No. 120 of the General Director of the State Forests of October 1, 2024 on the sale of wood in the State Forests National Forest Holding for the years 2025-2026, as amended.

4. Any disputes arising from the bidder's participation in the auction, conclusion and implementation of the contract will be considered by the court competent for the Seller's registered office in accordance with Polish law and procedure.

Annexes constituting an integral part of the Valuable Timber Auction Regulations:

1. Bidder's declaration.

2. Financial security agreement.
3. Sample sales contract.
4. Agreement supplementing the sales contract (0% VAT).
5. Delivery confirmation template.
6. Information clause (GDPR).