

**Principles of submissions for valuable wood in the Regional Directorate of
State Forests in Poznań on January 21, 2021.**

§ 1 [Designation of some concepts and terms]

1. Entrepreneur - a natural person, legal person or an organizational unit that is not a legal person, which has legal capacity under the law, which carries out economic activity.
2. Bidder - an entrepreneur interested in purchasing wood that has submitted an offer for this purpose.
3. State Forests organizational unit - regional directorate of State Forests, forest inspectorate.
4. Lot - the subject of the auction, consisting of individual logs, boles or a grouping of logs, boles;
5. Net cubic meter [m³] - measurement unit of wood in lot.
6. The price offered for 1 m³ - the price for 1 m³ of a given lot expressed in full zlotys [PLN] in the lot ex-pace of display.
7. Lot valuation - the unit price of a lot known to the seller, constituting the limit of its economic effectiveness.
8. Supervisors - persons appointed by the Director of the Regional Directorate of State Forests in Poznań to carry out the submissions
9. Leading unit - the organizational unit of the State Forests with wood exhibition areas at its disposal: the Krotoszyn Forest District and the Pniewy Forest District.

§ 2 [Specification of the offer]

1. The catalog of lots, which is also the Offer Card (Annex 5), will be available from 12/01/2021 on the website: <https://www.poznan.lasy.gov.pl/aukcja-cennego-drewna-debowego1> . The documentation will also be available for collection at the office of RDSF in Poznań, at the office of the Krotoszyn Forest District and Pniewy Forest District, after making contact by phone (due to epidemiological restrictions).
2. The wood will be made available for inspection at the wood exhibition areas indicated in the list (Appendix No. 6) from 12 to 21 January 2021 from 8:00 to 15:00.
3. To determine the diameter of the wood when calculating the thickness, the measurement rules set out in the Technical Conditions are used - Rules for preparation for measurement, measurement, volume calculation and raw material hallmarking introduced by Regulation No. 51 DGLP of September 30, 2019 are adopted. For each log or bole used there is protection of wood up to 40 cm.

§3 [Conditions for participation in the submissions]

1. A Tenderer who has a catalog of lots (offer card) is entitled to enter the wood exhibition grounds in order to inspect it. Before going to the exhibition site to inspect the wood, customers should contact the forest inspectorate, which will provide necessary information and assistance.

2. The Bidder, with the submission of the offer, accepts the conditions of participation in the submissions as well as sale and payment for the purchased wood without reservations.

3. Only companies registered in the LP Central Wood Customer Record (CKK) may be allowed to participate in the submissions. In the absence of registration in the above-mentioned the records must be immediately made in the selected forest district, called the parent forest district. In order to register a company in CKK, the company is required to present current registration documents. Foreign companies are also required to present a certificate of assigning a tax number necessary for intra-EU settlements (VAT ID).

4. The condition for participation in the Placement is the payment of a deposit in the amount of PLN 50,000 (say: fifty thousand zlotys 00/100). It is considered that the deposit has been paid - when the bank account of RDSF in Poznań no. 68 1540 1056 2105 8312 9205 0011 is credited. The payment must be done no later than 10:00 on 21.01.2021.

5. The deposit is interest-free and shall be returned in the nominal amount. The rules for paying and settling the deposit are provided in Annex 3.

6. The amount of the deposit for recipients paying VAT in the amount of 23% (23% VAT) will be credited towards the last batch of purchased raw material. In the event that the deposit is higher than the value of the purchased wood material, the surplus will be returned immediately after issuing the proforma invoice for the purchased wood.

7. For recipients entitled to apply a zero VAT rate (0% VAT), the deposit is a security in the event of failure to provide correct documents confirming the export of the purchased wood raw material outside the customs territory of the Republic of Poland and the need to charge 23% VAT for the sale. If the amount of the deposit is higher than the required amount of security, the surplus will be credited towards the net amount due for the last batch of purchased raw material. If the amount of the deposit is lower than the required security, it will be necessary to pay for the missing amount. The deposit will be refunded upon the delivery of a set of documents confirming the export of the purchased wood outside the customs territory of the Republic of Poland. The application of the 0% VAT rate to sales will only be possible under the condition that the Buyer concludes a separate agreement with the Seller, supplementing the Agreement, regulating the procedure of documenting, settling and securing the intra-Community supply of goods or indirect export of goods. The agreement template is attached as Appendix 4.

8. If no purchase is made, the deposit will be returned to the customer.

§ 4 [Submission rules]

1. List of documents to be submitted in the offer:

- a) Offer card - app. 5
- b) Bidder's declaration - Annex 2
- c) Power of attorney to represent the company - if necessary
- d) Specifying the minimum purchase quantity - according to the Tenderer's needs

2. The offer form should be submitted using the file of Annex 5 downloaded from the website or obtained with the documentation in the indicated units of the LP. Only the column: "offered price PLN / m³" is filled in without any other modification of the remaining columns and rows. The offer may be submitted in electronic or paper form.

It is recommended to additionally provide the Excel file of the Quotation Sheet in order to speed up the procedure. The basis for accepting the offer is the Offer Card signed by hand or with a qualified signature.

3. The tenderer may submit only one offer per lot. Otherwise, all customer offers for the lot will be rejected.

4. The offer may be submitted by 3 p.m. on 21.01.2021 in electronic or paper form to the address of the Krotoszyn Forest District, ul. Wiewiórowskiego 70, 63-700 Krotoszyn, or the Pniewy Forest District, ul. Turowska 1, 62-045 Pniewy, or RDSF offices in Poznań, ul. Gajowa 10, 60-959 Poznań.

5. Details of submitting an offer in electronic form:

a) All required documents must be signed with a qualified signature

b) Files should be zipped or 7zip protected with a password

c) The files can be sent from an email authorized by phone - with an employee of RDSF in Poznań to submisja@poznan.lasy.gov.pl or delivered on a memory device - USB flash drive.

d) The password for the packed archive should be sent by e-mail or text message (at no. 508 00 32 21; 600 02 22 03) after 3:00 p.m. on 01/21/2021, but not later than by 8:00 on January 22, 2021.

e) An excel file - Offer card should be attached to the archive.

6. Details of submitting an offer in writing:

a) The offer must be submitted in closed envelopes

b) The envelopes should bear a clear inscription: "Offer for precious wood submissions - do not open before January 22, 2021, 8:00. "

c) The submitted documents should be stamped and signed by an authorized person.

d) The Excel file with the Offer Card should also be provided on the attached memory device - USB flash drive.

7. The offer may be withdrawn by the Bidder only in writing. Appropriate letter, fax or e-mail must be received by January 21, 2021. until 3 p.m. to the RDSF office in Poznań (fax number: +48 61 668 44 10; e-mail: submisja@poznan.lasy.gov.pl).

8. Commission, public opening of tenders will take place on January 22, 2021 at 8:00 at the office of RDSF in Poznań. Tenders will be opened in the form of transmission via the Webex internet platform. The address for transmission will be published on the website www.poznan.lasy.gov.pl no later than 8:00 on January 22, 2021.

9. The bids from the bidders are rejected:

a) Having unsecured overdue receivables towards organizational units of the State Forests as at 01/21/2021.

b) Submitted after the deadline,

c) Not meeting formal requirements.

10. From among the offers not rejected, the offer will be selected according to the principle of the highest offered net price for a given lot.

11. In the event of two or more equal to the highest price offers for a given lot, the Buyer will be randomly selected.

12. The Bidder may reserve a minimum purchase quantity in writing. If the sum of the quantities from the lots accepted from the offer is lower than the minimum quantity stipulated by this Bidder, the entire offer will be rejected. Unless the Bidder stipulates the minimum purchase quantity, the Seller reserves the right to reject the entire bid of

the Bidder who purchases less than 10 m³ of wood. The rejected offer is awarded to the second buyer with the highest bid.

13. If the buyer resigns from purchasing a lot, the next buyer with the second highest offer is entitled to its purchase.

14. The results of the conducted submissions will be announced on 25.01.2021 at 12:00 in the form of Webex Internet transmission. The link to the transmission will be sent to the e-mail addresses of the bidders who submitted offers for the submissions.

15. The Buyers will receive information about the number and value of the lots they have purchased by e-mail no later than on January 25, 2021.

§ 5 [Disclaimers]

1. The Seller reserves the right to withdraw a lot from the submissions in the event that the highest offered purchase price for a given lot is lower than the one accepted by the organizer of the submissions.

2. Wood sold in the sub-commission is the reserved property of the seller until full payment of the purchase price.

3. Timber is shipped on the basis of the Shipping specification document. 4. Buyers of timber who are entrepreneurs registered outside Poland shall independently prepare the relevant transport documentation (CMR).

§ 6 [Writing the contract, payments]

1. The Director of the Regional Directorate of State Forests in Poznań will conclude contracts on behalf of forest districts with tenderers who purchased at the submissions. The contracts will be drawn up within 7 days from the date of submitting. The contract template is attached as Appendix 1.

2. The sale is carried out by Forest Districts, which appear in individual transactions, as sellers, taking over all rights and obligations resulting from the concluded contract.

3. Payments for the purchased wood raw material along with the amount of VAT will be made by the Buyer within 14 days from the date of announcement of the results of the submissions, ie on 25.01.2021, by bank transfer to the bank account of the forest inspectorate from which the wood comes. Pro forma invoices will be issued and sent by individual forest districts. The payment of the price is a condition for the release of the wood. In the case of payment by bank transfer, the date of payment shall be the date on which the funds are credited to the bank account of the entity issuing the pro forma invoice.

4. If the Buyer fails to make the payment within 14 days from the date of announcement of the results of the submissions, the given forest inspectorate will charge statutory interest on the value of unpaid wood. 5. Failure to pay the entire amount due by the Buyer within 30 days from the date of announcement of the submissions results is tantamount to termination of the Agreement due to the Buyer's fault. In this case, the deposit is forfeited to the Seller. After this date, the Buyer has no right to claim the raw material for which he has not paid. Failure to sign the contract or failure to implement it in whole or in part results in the inability to participate in submissions and auctions of precious wood for a period of 3 calendar years in the RDSF in Poznań.

6. If the Buyer makes the payment within 14 days from the announcement of the results of the submissions, a 1.0% discount will apply.

7. Bank charges are covered by the Buyer.

8. The Buyer may collect the wood only after the payment is credited to the Seller's bank account. Loading takes place with the best efforts and at the expense of the buyer. The loss or damage of the contracted lots for reasons beyond the control of the Seller shall release the Seller from the performance of the offer in this part without the right to claim damages.

9. The final date for the removal of wood from the exhibition yard is March 5, 2021. After this date, for wood still stored, a fee may be charged in the amount of 1% of the net value of uncollected wood for each started day of storage above the deadline receipt.

10. VAT will be charged in accordance with the VAT regulations applicable in Poland on the day of sale.

§ 7 [Complaints]

The wood for which the offer is submitted is deemed to have been inspected and approved by the buyer. Subsequent complaints regarding the quality and condition of the wood will not be considered.

§ 8 [Final Provisions]

1. The basic language in which the documents are published and the submissions will be conducted is Polish.

2. In matters not regulated by the rules of the submissions, the provisions of the Civil Code as well as the Order No. 68 of the General Director of the State Forests of November 12, 2019 on the sale of wood by the State Forests National Forest Holding for the years 2020-2021 apply.

3. Any disputes arising from the bidder's participation in the submissions, conclusion and performance of the contract shall be considered by the court competent for the Seller under the law of the Republic of Poland.

4. During all activities related to carrying out the submissions (viewing the raw material at the exhibition grounds, submitting offers and other formal activities), sanitary restrictions are introduced in the region, in accordance with the ordinance of the Prime Minister, related to the Covid-19 pandemic. Persons participating in all proceedings are required to comply with the restrictions applicable in the PGL LP Units.

Appendices constituting an integral part of the Submission Rules:

Attachment. No. 1: Model of the sales contract

Attachment. No. 2: Template of submissions participant's declaration

Attachment. No. 3: Rules for paying and settling bail

Attachment. No. 4: Template of an agreement supplementing the agreement for the VAT rate "0"

Attachment. No. 5: Catalog of lottery tickets / Offer card

Attachment. No. 6: List of wood exhibition squares

Please note that although the due care has been given to translate the **Principles of submissions for valuable wood in the Regional Directorate of State Forests in Poznań on January 21, 2021.**

any disputes will be based on the original Polish version.