



Auction Rules
For
Primary Online Auctions

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1. Preamble

- The following Auction Rules being the **Auction Rules for Primary Online Auctions** govern the obligations of parties in the conduct of a Primary Online Auction. A Primary Online Auction is VicForests' Online Auction that is not VicForests' Secondary Online Auction.
- The Auction Rules for a specific Auction are those rules located on the Forest Auctions Website at the time of the Auction.
- It is the responsibility of the individual Bidder to ensure they understand and/or seek appropriate legal advice on the Auction Rules.
- The Auction Rules are not an offer. Nothing in these Auction Rules will be construed to create any binding contract (express or implied) between VicForests and any Bidder.
- VicForests may in its absolute discretion and at any time:
 - (a) change the Auction Rules;
 - (b) change the Auction Catalogue;
 - (c) change the timing of any step in the Auction Schedule; and
 - (d) terminate or suspend the Auction.
- VicForests reserves the right to change any information in the Auction Rules or the Auction Rules themselves.
- No representation made by or on behalf of VicForests in relation to the Auction Rules (or its subject matter) will be binding on VicForests unless that representation is expressly incorporated into the Auction Rules.
- Bidders must not seek or obtain the assistance of employees, agents or contractors of VicForests or the State in the preparation of their Bids. VicForests may, in its absolute discretion, disqualify a Bidder that it believes has sought or obtained such assistance.
- Bidders and their respective officers, employees, agents and advisers must not engage in any collusion, anti-competitive conduct or any other similar conduct with any other Bidder or any other person in relation to the preparation, content or lodgement of their Bid.
- Bidders are required to declare all potential and actual conflicts of interest associated with their Bid.

2. Tradeslot Registered Bidder Agreement

- Upon completion and submission of your Tradeslot Registered Bidder Agreement (and for all Bidding conducted by you while certified/authorised under those details), you are deemed to have accepted, and are bound by, the Auction Rules, as amended and varied from time to time.

3. Qualified and Registered Bidder

3.1. Requirement to Apply for Qualification

- All entities wishing to participate in the Auction (Potential Bidders) are required to apply for and be assessed as Qualified Bidders. These requirements are set out in the Qualification Rules.

3.2. Requirement to Apply for Registration

- Entities assessed as Qualified Bidders by VicForests must apply to Tradeslot Pty Ltd for Registration to access the Forest Auctions Website and use the System.
- Application to become a Registered Bidder requires acceptance of the terms and conditions of the Tradeslot Pty Ltd Registered Bidder Agreement.
- Separate registrations are required where Qualified Bidders are approved for more than one Delivery Site.

4. Forest Auctions System

- In order to participate in an Auction, Registered Bidders must log on to www.forestauctions.com.
- Registered Bidders are issued a single system account user name and password via email, with which to access the System for purposes of the Auction. Registered Bidders are permitted to have other parties and/or advisors use their account to monitor the Auction and enter Bids on their behalf. Registered Bidders provide their account log on details to others entirely at their own risk. Bids entered by parties or advisors who have been granted access by a Registered Bidder are deemed to be Bids of that Bidder and are binding on that Bidder.
- The Forest Auctions Website server is hosted within a secure hosting facility. Tradeslot Pty Ltd independently manages the Auction.

Forest Auctions Help Desk

- Tradeslot Pty Ltd will provide a telephone based Help Desk Service during the Auction. The **Tradeslot Help Desk Number** is **+61 3 9016 9419**.

5. Auction Format

5.1. Online Auction

- All bids in the Auction are submitted electronically via the Internet during the Lot Bidding Period.
- The Auction is conducted in a simultaneous, multiple round Auction format.

5.1.1. Simultaneous Auction Format

- All Lots to be offered in the Auction are put up for Bidding simultaneously. Bidding on all Lots commences at the date and time of the Auction Start (Lot Bidding Period Start) and ends at the date and time of individual Lot Bidding Period End (Section 10).
- Bidders have the opportunity to submit Bids on all Lots for which they are Registered (Section 9) subject to the Auction Rules.
- All Lots in the Auction Catalogue for the Auction are contested simultaneously.

5.1.2. Multi Round Auction Format

- Lots are offered for Bidding over a series of separate, pre-scheduled Activity Rounds (Section 10.2).
- Activity Processing Periods commence after each Activity Round End and prior to the start of the Activity Pause Period. During Activity Processing Periods all Bidding activity is suspended, and Auction data will not be available to download.
- Activity Pause Periods are scheduled between Activity Rounds. During this period all Bidding activity is suspended. Unlike Activity Processing Periods, Auction data will be available for download.

5.2. Auction Schedule

- The Auction Schedule, including the date and time of all Auction phases is determined by VicForests prior to the Auction Start.
- VicForests will publish the Auction Schedule prior to the Auction Start on the System website, accessed at www.forestauctions.com.
- VicForests will publish the Auction Catalogue of Lots to be included in the scheduled Auction prior to the Auction Start.
- VicForests may alter the Auction Schedule by notifying Qualified Bidders of the revised Auction Schedule, and publishing the revised Auction Schedule prior to the previously published Auction Start.

6. Time Clock

- The Server Time on the Forest Auctions Website is the official clock for all activities associated with the Auction.

7. Auction Pricing

- All Auction pricing is in Australian Dollars for each Lot delivered to the specified Delivery Site for each Bidder.
- All Auction and Bid pricing is exclusive of Goods and Services Tax (GST), per unit of product.
- Auction Bid comparison is on the basis of the residual stumpage value of each Lot.

8. Bidder Profile

8.1. Bidder Profile Details

- Registered Bidders' contact details are held in the System for the Auction.
- Bidders may update Auction contact details and email addresses on-line on the Bidder Profile page, during the scheduled Bidder Profile Update Period.

8.2. Capacity Limits

- Pre-determined Capacity Limits for each Bidder for an Auction will be set prior to the Auction, and are displayed on the Bidder Profile page.
- Pre-determined Capacity Limits constrain the total maximum annual value and/or maximum annual quantity of timber for which a Bidder can submit Bids.
- Each Bidder's Capacity Limit settings will be the pre-determined Capacity Limits set by VicForests in accordance with the Qualification Rules.
- The System automatically applies the Capacity Limits constraints. The System will not allow submission of active Bids during an Activity Round or submission of Ceiling Bids that will exceed Capacity Limits.

8.3. Capacity Limit Adjustment

- Bidders may adjust their Capacity Limits for an Auction on the System during the Bidder Profile Update Period according to the following rules:
 - A Bidder cannot increase Capacity Limits pre-determined by VicForests, however pre-determined Capacity Limits may be reduced by a Bidder.
 - Any attempt to increase Capacity Limits (above the pre-determined amount) will be blocked by the System.

- If a Bidder does not make changes to their Capacity Limits for an Auction, the VicForests' determined settings will apply.
- Capacity Limit adjustments can only be submitted or changed during the Bidder Profile Update Period. Bidders cannot adjust Capacity Limits after the Bidder Profile Update Period has ended.

9. Lot Registration

9.1. Registration for Lots

- Bidders are required to register for those Lots (from the Auction Catalogue) for which they wish to have opportunity to submit Bids during the Auction.
- Bidders cannot Bid on Lots for which they have not Registered. Bidders are not required to Bid on every Lot for which they have Registered.
- Capacity Limits do not constrain the number of Lots for which that Bidder can Register.

9.2. Lot Registration Period

- Bidders are required to Register for Lots during the Registration Period. Bidders are allowed to change their Registration Status on any Lot at any time during the Registration Period.

9.2.1. Registration of Lot Preference

- Bidders are required to assign a numerical Lot Preference Order (starting at 1, the highest preference) against each Lot for which they Register. A Bidder cannot have the same preference for two or more separate Lots.
- Bidders may change their Lot Preference Order at any time during the Registration Period. Lot Preference Order cannot be changed after the Registration Period End.
- For any given Bidder, Lot Preference Order is automatically used to:
 - Prioritise Reactivation of previously Deactivated, eligible Lots, up to calculated Bidder Average Activity Levels (Section 11.8.4) and relevant Capacity Limits (Section 8.2); and
 - Prioritise the submission of Ceiling Bids (Section 11.8.9).

10. Lot Bidding Period

10.1. Lot Bidding Period: Start and End

- The Lot Bidding Period for all Lots commences at the date and time of the Auction Start. The Lot Bidding Period continues subject to the scheduling of Activity Rounds and the Lot Bidding Period End.

- The Lot Bidding Period for a given Lot ends at Lot Award (Section 11.10); or for previously un-awarded Lots, at the end of the final scheduled Activity Round, unless a Lot Bidding Extension Period is triggered for that Lot (Section 10.3)
- If a Lot Bidding Extension Period is triggered, the Lot Bidding Period End for a Lot occurs at the end of the final Lot Bidding Extension Period.

10.2. Activity Round Schedule

- The Auction Bidding Period is structured into multiple, sequential Activity Rounds.
- Activity Processing Periods commence after each Activity Round End and prior to the start of the Activity Pause Period.
- During the Activity Processing Period all Bidding activity is suspended, and Auction data will not be available to download.
- The scheduling of Activity Rounds is the same for all Lots, subject to the end of individual Lot Bidding Periods (Section 10.1).

10.3. Lot Bidding Extension Period/s

- The Lot Bidding Period for a given Lot may be extended if:
 - A Ceiling Bid (Section 11.8.5) is submitted at the scheduled end of the final scheduled Activity Round, or
 - A Bid is lodged within the specified Extension Period Trigger Time of the final Activity Round, or of a Lot Bidding Extension Period.
- In the case that the Lot Bidding Period for a Lot is extended, all Bidders that are active for that Lot have the opportunity to submit Counter Bids during the Lot Bidding Extension Period.
- Ceiling Bids may not be submitted during Lot Bidding Extensions Period.
- The Trigger Time and the duration of the Lot Bidding Extension Period(s) will be set prior to the commencement of the Auction and published in the Auction Schedule.
- Valid Bids submitted during the Trigger Time of a Lot Bidding Extension Period will trigger a subsequent Lot Bidding Extension Period, unless the Bid was submitted in the final possible Lot Bidding Extension Period.
- A Lot Bidding Extension Period commences at the scheduled end of the final Activity Round or if triggered in a subsequent Lot Bidding Extension Period.

11. Auction Bidding Activity

11.1. Bids

- Bids on Lots can only be submitted during an Activity Round.
- Bids submitted during the Auction on Registered Lots cannot be withdrawn by the Bidder under any circumstances, and are binding on the Bidder.

- Bidders can submit Bids on Lots for which they are Registered (Section 9), up to applicable Capacity Limits (Section 8.2).
- Bidders can submit multiple Bids during each Activity Round.

11.2. Target Bid

- The Target Bid for any given Bidder, equals the prevailing highest Mill Door Price Bid—adjusted to incorporate Bidder specific delivery costs—plus the prevailing Minimum Bid Increment (Section 11.5).
- The Target Bid reflects the minimum Bid that a given Bidder must submit to be the Leading Bidder on a given Lot. A Valid Bid may be equal to, or greater than, the Target Bid.
- The Opening Target Bid for a given Lot (in the first Activity Round and until a Valid Bid has been placed on the Lot) is based on the VicForests determined grade Reserve Price (Section 11.3) for that Lot for a given Bidder.

11.3. Reserve Prices

- Opening Target Bids are based on Reserve Prices set by VicForests prior to the Auction.
- A Bid at or above the Opening Target Bid is accepted by the System.
- A single Valid Bid at the Opening Target Bid can result in Lot Award at that price at the end of the Activity Round. Only a valid Counter Bid triggers a subsequent Activity Round.

11.4. Valid Bid

- In order for a Bid (for a given Lot), to be a Valid Bid it must:
 - Be equal to or greater than the Target Bid amount for that Lot (Section 11.2);
 - Be within relevant Capacity Limits (Section 11.9) for that Bidder; and
 - Comprised of Part Bids by grade of timber included in that Lot (Section 11.6).
- The System does not accept a Bid that is not a Valid Bid.
- A Bidder submitting the first Valid Bid of an Activity Round becomes the Leading Bidder for that Lot, until such time as a Counter Bid is submitted. A Valid Bid submitted by a Bidder against themselves is not treated as a Counter Bid by the System.

11.5. Minimum Bid Increment

- The Minimum Bid Increment is the smallest amount by which the prevailing highest Bid (adjusted for Bidder specific delivery costs) must be increased to achieve a Leading Bid.
- Minimum Bid Increments are determined by VicForests prior to the Auction Start.

11.6. Weighted Average Bids

- For Single Grade Lots, Bidders need only submit a Bid for that Grade of timber. The Weighted Average Bid is equal to this single Bid.
- For Multi Grade Lots, Bidders must enter a Bid for each Grade of timber contained in that Lot. Each individual Part Bid must be greater than a Grade specific minimum (Grade Floor) for Multi Grade Lots. The System calculates a Weighted Average Bid based on the Part Bids and the proportion of each Grade of resource contained in the Lot.

11.7. High Bid Verification

- Where a Bidder attempts to submit a Bid at least 20% higher than the current Target Bid value, the System will:
 - Deliver a warning message to that Bidder; and
 - Require that Bidder to re-enter the Bid amount to confirm that it is the intended Bid amount.
- Once the Bid has been re-entered and submitted it cannot be withdrawn by the Bidder under any circumstances. That Bid becomes a binding offer by that Bidder for the Lot.

11.8. Bidder Activity Level Requirement

- For any given Lot (for which they are Registered), a Bidder must be Active in each Activity Round in order to remain eligible to submit Bids on that Lot in the next Activity Round.
- To be Active in a given Activity Round a Bidder must:
 - Submit one or more Valid Bids; or
 - Be the Leading Bidder from the previous Activity Round.

11.8.1. Lot De-activation

- If a Bidder is not Active in any Activity Round and is not the Leading Bidder from a previous Activity Round, that Bidder becomes De-activated in future Activity Rounds for that Lot.
- That Bidder is no longer eligible to submit Bids for the Lot unless Re-activated on that Lot in a later Activity Round.

11.8.2. Lot Re-activation

- If, at the end of an Activity Round (other than the last Activity Round) a Bidder has been De-activated for a Lot, the System may automatically Re-activate the Bidder for Lot(s) in subsequent Activity Rounds if:
 - That Bidder had Registered for the Lot(s); and
 - The Lot(s) have not yet been Awarded; and
 - Lot Re-activation Status is enabled (Auction default setting) for the Lots(s), subject to a Bidder's Bidder Activity Level, Capacity Limits and Lot Preference Order.

- Lots are Re-activated up to that Bidder's Bidder Average Activity Level (Section 11.8.4).
- Lots are Re-activated in the Bidder's specific Lot Preference Order, as assigned during the Registration Period (Section 9).
- Lot Re-activation to a Bidder does not occur during a Lot Bidding Extension Period.

11.8.3. Lot Re-activation Status

- A Bidder may change the Re-activation Status of a Lot during the Auction through the Re-activation settings page.
- Lot Re-activation Status can be changed at any time during an Activity Round or Activity Pause Period.

11.8.4. Bidder Average Activity Level

- For any given Bidder and Activity Round, the Bidder Activity Level is the total quantity of timber for which that Bidder has submitted Valid Bids in that Activity Round.
- The Bidder need not be the Leading Bidder at the end of the Activity Round in order for Bids to be included in the Bidder Activity Level. Multiple Bids on the same Lot during an Activity Round do not increase the Bidder Activity Level.
- The Bidder Average Activity Level is the average of Bidder Activity Levels across all previous Activity Rounds for that Bidder.

11.8.5. Ceiling Bids

- Ceiling Bids are bids that are automatically submitted by the system on a Bidder's behalf in the event that the Bidder's Internet connection is disrupted.
- Ceiling Bids can only be entered by Tradeslot Help Desk and only at the Bidder's Request. (Section 11.8.6).
- Bidders can request the Help Desk to enter Ceiling Bids only for the Current Activity Round. The Help Desk cannot enter Ceiling Bids for future Activity Rounds.
- The Tradeslot Pty Ltd Help Desk will not submit an Active Bid on behalf of the Bidder.
- Ceiling Bids are submitted as Weighted Average Bids for Multi Grade Lots.
- Ceiling Bids, if automatically submitted are contractually binding offers.

11.8.6. Setting Up Ceiling Bids

- If Bidders become disconnected from the System during the Auction they can contact the Tradeslot Pty Ltd Help Desk by telephone and request that the Help Desk enter a Bidder nominated amount as a Ceiling Bid on a Lot in the current Activity Round for which the Bidder is Registered and eligible to submit Bids.
- The Help Desk can inform the requesting Bidder of their current Target Bid amount at the time of accepting such a request.

- Bidders should register a Ceiling Bid with the Tradeslot Pty Ltd Help Desk at least twenty (20) minutes before the end of the current Activity Round.
- Tradeslot Pty Ltd will endeavour to process as many calls as possible, but does not guarantee submission of Ceiling Bid requests received in the last twenty (20) minutes of the Activity Round.
- In the event that multiple calls are incoming to the Help Desk simultaneously, the calls will be attended to, in the order they are received.
- The Help Desk will accept and enter one such request per Bidder, per Lot, in each Activity Round.

11.8.7. Automatic Submission of Ceiling Bids

- For a given Bidder, Activity Round and Lot, the System automatically submits a Ceiling Bid at the end of the Activity Round if all the following apply:
 - The Bidder has instructed Tradeslot Pty Ltd to enter a Ceiling Bid for that Lot and Activity Round, and
 - The Bidder is Activated to submit Bids in that Activity Round for that Lot, and
 - The Bidder has not already made a Valid Bid in that Activity Round (with the exception of the final scheduled Activity Round – Section 11.8.11), and
 - The Bidder is not the Leading Bidder in the Activity Round, and
 - The (Bidder specific) Target Bid at the time the Ceiling Bid is automatically submitted is less than the nominated Ceiling Bid for that Activity Round, and
 - The Ceiling Bid amount does not exceed the Bidder's Capacity Limits at the time the Ceiling Bid is automatically submitted (the end of the Activity Round).
- A Ceiling Bid will not be submitted if, at the time the System attempts to submit the Ceiling Bid, the Bidder specific Target Bid is greater than the Ceiling Bid nominated by the Bidder.
- Ceiling Bids are submitted at the amount of the nominated ceiling, not at the Target Bid amount.
- Once submitted, Auto Submit Ceiling Bids are contractually binding Bids.
- Ceiling Bids are submitted at the end of the Activity Round for which they are nominated. The Bidder with the highest Ceiling Bid is the Lead Bidder at the commencement of the next Activity Round, provided they are not tied Ceiling Bids. (Section 11.8.10)

11.8.8. Auto Submit Ceiling Bids for Multi Grade Lots

- For Multi Grade Lots, Auto Submitted Ceiling Bids are submitted as Weighted Average Bids.

11.8.9. Order of submission of Auto Submit Ceiling Bids

- Where a Bidder has multiple eligible Ceiling Bids (as defined in Section 11.8.5), Auto Submit of these Bids occurs in Lot Preference Order, as assigned by the Bidder during the Registration Period (Section 9.2.1).
- Eligible Ceiling Bids for that Bidder are submitted up to relevant Volume and/or Financial Capacity Limits.

11.8.10. Tied Auto-Submitted Ceiling Bids

- If two (or more) Bidders have Ceiling Bids submitted for the same Lot with identical stumpage values, i.e. they are Tied Auto-Submitted Ceiling Bids, then the Bids will be submitted in order of the earliest time that the Ceiling Bid was enabled on the Auction System.
- Both (all) Bidders remain Activated for that Lot in the next Activity Round.
- The Lead Bidder going into the next Activity Round will be the Bidder whose Tied Ceiling Bid was enabled on the Auction System at the earliest time.

11.8.11. Final Activity Round Auto-Submit Ceiling Bids

- At the scheduled end of the final scheduled Activity Round, Auto Submit Ceiling Bids are submitted regardless of whether those Bidders have made a Valid Bid in that Activity Round, subject to the other pre-conditions outlined in 11.8.7.
- In the case that Ceiling Bids are Auto Submitted in the final scheduled Activity Round (for a given Lot), the Lot Bidding Period for that Lot is extended by the Lot Bidding Extension Period, allowing all Activated Bidders to submit Counter Bids.

11.9. Application of Capacity Limits

- A Bid at or above the Target Bid amount will not be accepted by the System if that Bid will result in the Bidder exceeding relevant Capacity Limits (Section 8.2).

When a bid is placed at or above the Target Bid in the System, the System will;

- Compare the submitted bid quantity with the Available Volume Capacity and the submitted bid value with the Available Financial Capacity; and
 - If the bid quantity is less than or equal to the Available Volume Capacity and the bid value is less than or equal to the Available Financial Capacity then the bid is accepted and auto-submitted, otherwise the bid is rejected.
- Exceeding the Financial or Volume Capacity Limit will not be permitted by the System (Section 8.2).
 - The Auction Quantity and Auction Value for a given Bidder at any point during the Lot Bidding Period is based on all those Lots for which the Bidder is the Leading Bidder at that time, and includes Lots that the Bidder has already been Awarded.

11.10. Lot Award

- A given Lot is Awarded to the Winning Bidder.
- The Winning Bidder is the Leading Bidder at the end of the first Activity Round in which no Valid Counter Bids are submitted for that Lot.
- Multiple Valid Bids submitted by the Leading Bidder are not treated as Counter Bids.

12. Disruption to an Auction

- If the System fails at the server, or there is any unexpected disruption to services prior to Auction Start, the Auction is re-scheduled at the discretion of VicForests. All Qualified Bidders will be notified of the rescheduling of the Auction, as per Section 5.2.
- If the System fails, or there is any unexpected disruption to services after the Auction Start (during the Lot Bidding Period), the status of competition for all Lots, including the Target Bid amounts and Leading Bidder reverts to that existing at the end of the Activity Round immediately prior to the disruption. The Auction recommences as soon as the problem is rectified, and as scheduled by VicForests.
- If a given Bidder is disconnected from the System during the Lot Bidding Period (due to individual system or connection failure), the Bidder can continue to participate in the Auction by submitting Ceiling Bids via the Help Desk (Section 11.8.5).

13. Post Auction

13.1. Terms and Conditions for Timber Sales Schedules

- Following the Auction End, confirmation to Winning Bidders of Lot Award and corresponding Delivered Prices (based on Weighted Average Bids) are included into Terms and Conditions for Timber Sales Schedules 1 and 2 and issued electronically.
- For Single Grade Lots, the Delivered Price specified in Item 1 Schedule 1 equals the single Grade price submitted in the winning Bid.
- For Multi Grade Lots, the Delivered Prices specified in Item 1 Schedule 1 equal the grade specific prices submitted in the winning Bid, for each Grade incorporated in that Lot.

13.2. Publication of Results

- VicForests will publish the results of the Auction at www.vicforests.com.au
- If a Grievance is submitted, Winning Bidders will be notified that their Lot Award is provisional until the Grievance is determined by the Grievance Committee. Confirmation of Lot Award to Winning Bidders will be made after determination of the Grievance by the Grievance Committee.

13.3. Grievances

- Subject always to Section 14, Bidders may lodge a Grievance but are not entitled to make any other complaint in connection with an Online Auction.
- If a Bidder has Grievance, it must be lodged in writing, by 5.00 pm on the first Business Day following the Auction End.
- Bidders are to submit Grievances to the Tradeslot Auction Manager via email using auctionmanager@tradeslot.com
- All Grievances will be acknowledged via return email and VicForests will be notified immediately.
- Grievances will be determined by a Grievance Committee that consists of representatives of VicForests and Tradeslot Pty Ltd.
- Grievances will be determined by the Grievance Committee in accordance with a Grievance Procedure.
- VicForests shall appoint a Probity Officer by 5:00pm on the second Business Day after the Auction End. The Probity Officer has an overriding duty to impartially assist the Grievance Committee to ensure that any Grievance is determined in accordance with the Grievance Procedure.
- Each Bidder acknowledges that the Grievance Committee is empowered and authorised to determine Grievances and that the rules of natural justice need not apply to the proceedings of the Grievance Committee.
- VicForests, Tradeslot Pty Ltd and each Aggrieved Bidder have the right to maintain as confidential the Grievance, application of the Grievance Procedure and the determination of the Grievance.
- Each Bidder authorises and consents to the use of any personal information provided in connection with these Auction Rules for the purposes set out herein, subject only to the Privacy Act 1988 (Cth) and any other applicable legislation. Without limiting the forgoing, such information may be used by the Grievance Committee as reasonably necessary to determine any Grievance.
- Determination of a Grievance by the Grievance Committee shall be final, binding and conclusive on the Aggrieved Bidder upon notice to the Aggrieved Bidder.

13.4. Grievance Procedure

- The Grievance Procedure aims to provide a framework for raising and dealing with Grievances which arise from the relevant Online Auction. It aims to provide

an efficient, clear, fair and accessible mechanism for dealing with problems which arise and for ensuring that the determination of any Grievances, and the Online Auction itself, has been conducted properly.

- The Grievance shall be determined having regard to the following factors only:
 - (a) the application of the Auction Rules;
 - (b) the Deed Poll between the Aggrieved Bidder and VicForests;
 - (c) the Bidder Agreement between the Aggrieved Bidder and Tradeslot Pty Ltd;
 - (d) the Aggrieved Bidder's participation in the VicForests On-Line Auction;
 - (e) the operation of the System;
 - (f) any oral submissions made by the Aggrieved Bidder;
 - (g) any recommendations made by the Probity Officer; and
 - (h) any other factor that the Grievance Committee considers appropriate in its absolute discretion, provided that notice of such consideration is given to the relevant Aggrieved Bidder(s).
- VicForests must contact the Aggrieved Bidder and offer an opportunity to make an oral submission to the Grievance Committee. Hearings of oral submissions to the Grievance Committee:
 - (a) are to be held at the offices of VicForests, Level 7, 473 Bourke Street, Melbourne on the dates notified to Aggrieved Bidders;
 - (b) may be put to the Grievance Committee by telephone by the Aggrieved Bidder if the Aggrieved Bidder is unable to attend in person; and
 - (c) are to be no longer than 45 minutes in duration and may be presented by the Aggrieved Bidder or a representative of the Aggrieved Bidder.
- The Probity Officer shall be entitled to be present when oral submissions are made by an Aggrieved Bidder to the Grievance Committee but, for the avoidance of doubt, may only participate to the extent permitted by the Grievance Committee.

14. Limitation of Liability and Indemnity

14.1. Limitation of liability

- VicForests and Tradeslot Pty Ltd hereby exclude, to the fullest extent permitted by law, all liability to Bidders arising out of or otherwise in connection with the participation by Bidders in the Auction including, without limiting the foregoing, any liability:
 - for failure of the System prior to the Auction Start;
 - for failure of the System during the Lot Bidding Period;
 - for failure by the System to accept a Valid Bid;

- for errors in the submission of ceiling bids;
- for errors in the Mill Door Price for a Lot;
- for errors in the Reserve Price for a Lot;
- for any Capacity Limit of a Bidder, whether such limits are nominated by a Bidder or otherwise;
- for interruption of any other kind to access to the Online Auction website;
- for loss or delay in the receipt by a Bidder of any electronic notification from VicForests;
- for loss or delay in the receipt by VicForests of any electronic notification from a Bidder;
- for indirect, incidental, special or consequential damages including damages for loss of profits or savings (actual or anticipated) and loss of goodwill, whether or not the Bidder knows of the possibility of such damage or such damage was otherwise foreseeable; and
- contributed to directly or indirectly by the Bidder's acts or omissions;

Except to the extent that such liability arises from acts or omissions of VicForests that are negligent or unlawful or which amount to wilful misconduct.

14.2. Indemnity

- Each Bidder indemnifies VicForests and Tradeslot Pty Ltd, their officers, employees and agents, from and against any claim, action, liability, loss, damage, cost, charge, expense, outgoing, payment, diminution in value or deficiency of any kind or character arising directly or indirectly from any:
 - Breach by the Bidder of these Auction Rules; or
 - Acts or omissions (including any negligence, unlawful conduct or wilful misconduct) by the Bidder arising out of or otherwise in connection with the bidder's participation in the Online Auction.

15. Glossary

Active	To be Active in a given Activity Round a Bidder must submit one or more Valid Bids; or be the Leading Bidder from the previous Activity Round.
Active Bid(s)	A Valid Bid that is submitted during an Activity Round. A Valid Ceiling Bid is not an Active Bid.
Activity Pause Period(s)	Pre-scheduled periods between Activity Rounds, during which all Bidding Activity is suspended.
Activity Processing Period	Brief period immediately following Activity Round End during which all results and information are processed and updated. During this time all Bidding activity is suspended and data is not available for download.
Activity Round(s)	Sequential, pre-scheduled periods of Bidding activity. A Bid can only be submitted during an Activity Round.
Activity Round Schedule	Number, duration and start and end times of Activity Rounds, determined by VicForests prior to Auction Start and provided to Qualified Bidders as part of the Auction Schedule.
Activity Round Start (End)	Scheduled date and time of commencement (conclusion) of a given Activity Round, provided to Qualified Bidders as part of the Activity Round Schedule.
Aggrieved Bidder	A Bidder that participated in the relevant Online Auction and who has properly lodged a Grievance in accordance with these Auction Rules.
Auction	Process in which VicForests releases specific Lots for sale. This process includes, but is not limited to, the release of an Auction Catalogue, the Qualification Process, acceptance as a Registered Bidder, the Bidder Profile Update Period, Registration, the Lot Bidding Period, Lot Award, forwarding of Schedules to Winning Bidders and publication of the results of the Auction.
Auction Bidding Period	Period during which bids may be submitted on Auction Lots, defined by Auction Start and Auction End. See Section 5.2
Auction Catalogue	VicForests' publication that defines Lots to be sold in the Auction. Lots are defined by: <ul style="list-style-type: none"> • Lot number (unique identifier) • Supply Area / Zone • Species of timber • Grade of timber • Period of contract • Total contract quantity of timber • Years of supply (by quantity).
Auction End	Conclusion of all Bidding activity for the Auction.
Auction Quantity	The total quantity of timber, in the supply year with the highest volume, for the Lots in which the Bidder is currently the Leading or Winning Bidder.
Auction Rules	Auction Rules govern the obligations of parties in the conduct

of an Online Auction.

Auction Schedule	The scheduling of the Auction Bidding Period, including the date and time of Auction Start, date and time of Activity Round Start(s) and End(s), and duration of any possible Lot Bidding Extension Periods. This is determined by VicForests prior to the Auction Start. See Section 5.2.
Auction Start	Scheduled date and time of commencement of the Auction Bidding Period (Start Lot Bidding Period and Activity Round #1 for all Lots). See Section 10.1.
Auction Value	The total value of timber for the Lots in which the Bidder is currently the Leading or Winning Bidder.
Auto Submit	See Ceiling Bid.
Available Financial Capacity	The difference between the Financial Capacity Limit and the Auction Value.
Available Volume Capacity	The difference between the Volume Capacity Limit and the Auction Quantity.
Award	See Lot Award.
Bid	<p>A binding offer by a Bidder for a Lot.</p> <p>An individual bid is required for each grade of a multi grade Lot for which a Bid is submitted</p> <p>The system calculates and displays a single weighted average purchase price per unit of product for a Lot.</p> <p>See Valid Bid.</p>
Bidder(s)	Entities that have been assessed as Qualified Bidders by VicForests and accepted as Registered Bidders by Tradeslot Pty Ltd. A Registered Bidder is an entity with a single Delivery Site.
Bidder Activity Level	For any given Bidder and Activity Round, the Bidder Activity Level is the total quantity of timber for which that Bidder has submitted Valid Bids in that Round.
Bidder Average Activity Level	The average of Bidder Activity Levels across all previous Activity Rounds for that Bidder.
Bidder Profile	Bidders' information including Username, Company name, Parent Company, ABN and ACN; Primary and Secondary Contact information including name, phone, mobile and fax numbers, and email address; and office addresses including head office, postal, registered and delivery.
Bidder Profile Update Period	Period during the Auction in which Bidders can update their Bidder Profile on the System.
Bidding Period	See Auction Bidding Period and Lot Bidding Period
Business Day	A day which is not a Saturday, Sunday or bank or public holiday in the State of Victoria.
Capacity Limit(s)	Means a Bidder's annualised Financial Capacity Limit and/or annualised Volume Capacity Limit.

Ceiling Bid(s)	A Bid nominated by Bidders during the Activity Round (excluding Lot Bidding Extension Period) and automatically submitted by the System, if the Bidder does not submit a Valid Bid in an Activity Round and is eligible to do so. Ceiling Bids allow Bidders to have Bids submitted when they are unable to do so manually – e.g. System disconnection.
Counter Bid(s)	Valid Bid submitted subsequent to submission of an initial Valid Bid. A Valid Bid submitted by a Bidder against themselves is not a Counter Bid.
De-activation	See Lot De-activation.
Delivery Sites(s)	Address nominated by Bidders during the Qualification Process, where timber won in the Auction will be delivered.
Financial Capacity Limit	Limit on total maximum annual value of timber for which a given Bidder is eligible to Bid.
Floor Price	Minimum Reserve Price for each product grade in a given Lot. Floor Prices are determined by VicForests prior to Auction Start, and not amended during the Auction Bidding Period. Bids will not be accepted below the preset Floor Price(s).
Forest Auctions Website	Forest Auctions Website means the website at www.forestauctions.com
Grade	Quality of timber included in a given Lot, as defined by the Code of Procedures for Log Buyers: Log Specifications. This document can be accessed at www.vicforests.com.au See Multi Grade Lot and Single Grade Lot.
Grade Floor(s)	The minimum Mill Door Price for each individual Grade in a Multi Grade Lot. In a Single Grade Lot the Grade Floor is the same as the Floor Price.
Grievance	A complaint by a Bidder to VicForests or Tradeslot Pty Ltd about: <ul style="list-style-type: none"> • the application of the Auction Rules; and/or • the operation of the System, which is to the direct financial detriment of the relevant Bidder. A Grievance does not include any complaint relating to a contravention of any law, whether pursuant to legislation or common law.
Grievance Procedure	The procedure for resolving Grievances set out in Section 13.3.
Help Desk	Telephone based support service provided by Tradeslot Pty Ltd to Bidders during an Auction.
High Bid Verification Warning	Automatic system safeguard against erroneous Bid entry. See Section 11.7.
Leading Bid	The highest Weighted Average Bid price for a given Lot, at a given point in the Lot Bidding Period.
Leading Bidder	The Bidder who has submitted the highest Weighted Average Bid price for a given Lot, at a given point in the Lot Bidding Period.
Leading Option	The Option (single or combination) for which the highest

	Weighted Average Bid price has been submitted for a given Lot, at a given point in the Lot Bidding Period.
Lot(s)	Units of resource to be offered for sale in the Auction, in accordance with the Auction Rules. Auction Lots are defined in the Auction Catalogue.
Lot Award	Allocation of a Lot to the Leading Bidder at the end of the Lot Bidding Period for that Lot. See Section 11.10.
Lot Bidding Period	Period during which Bidding activity continues on a given Lot, subject to suspension of Bidding activity during Activity Pause Periods. Defined by Lot Bidding Period Start and Lot Bidding Period End for a given Lot. See Section 10.
Lot Bidding Period End	The Lot Bidding Period for a given Lot ends when the Lot is Awarded.
Lot Bidding Extension Period	An extension to the final scheduled Activity Round (for a given Lot) is automatically triggered where a Ceiling Bid is submitted at the scheduled end of the final Activity Round or when a Valid Bid is submitted in the Extension Period Trigger Time.
Lot Bidding Period Start	Scheduled date and time of commencement of the Lot Bidding Period (Auction Start).
Lot De-activation	Process by which Bidders whom are not Active in Bidding for a given Lot are removed from Bidding in subsequent Activity Rounds.
Lot Preference Order	Ranking of Registered Lots in order of priority nominated by Bidders during the Registration Period. See Section 9.2.1.
Lot Re-activation	Process by which a Bidder is made eligible to Bid on Lots for which they had previously become De-activated (See Section 11.8.2)
Mill Door Price	Bid price that includes stumpage value plus costs associated with timber harvest and transport to Bidder specific Delivery Destinations for that Lot.
Minimum Bid Increment	The smallest amount by which the prevailing highest Bid (adjusted for Bidder specific delivery costs) must be increased to achieve a Leading Bid.
Multi Grade Lot	Lot that includes timber of more than one Grade (i.e. B, C, D or E).
Multiple Round Auction	Auction format in which Bidders submit Bids in a series of discrete Activity Rounds.
Online Auction	Auction in which Bids for Lots are submitted and received using the internet. The VicForests Online Auction is supported by a custom design website (http://www.forestauctions.com) hosted in a secure hosting facility and independently managed by Tradeslot Pty Ltd.
Opening Target Bid	See Reserve Price.
Part Bid	Individual Bid by grade of timber for a Multi Grade Lot.
Potential Bidder(s)	An entity with an interest in participating in the Auction, but which has not yet been assessed as a Qualified Bidder (through Qualification Process).

Probity Officer	The independent person appointed by VicForests to ensure that any Grievance is determined in accordance with the Grievance Procedure.
Qualification Process	Process by which Potential Bidders are assessed as appropriate and capable to participate in the Auction and terms and conditions governing that participation agreed.
Qualification Rules	VicForests Qualification Rules governing the Qualification Process.
Qualified Bidder(s)	An entity that has been assessed by VicForests as Qualified (through the Qualification Process) to participate in the Auction.
Re-activation	See Lot Re-activation
Reactivation Status	Indicates whether the Lot has been set to Reactivate or not. The default Reactivation Status for all Lots is yes.
Registered Bidder	An entity accepted by Tradeslot Pty Ltd to access the System for an Auction.
Registration	Process by which Bidders select those Lots for which they wish to have the opportunity to submit Bids during the Auction Bidding Period.
Registration Period	Pre-scheduled period after Registration Period Start and prior to Registration Period End during which Bidders can log on to the System and enter or amend their Lot Registration Status.
Registration Period Start (End)	Scheduled date and time of commencement (conclusion) of the Registration Period provided to Bidders as part of the Auction Schedule.
Registration Status	For a given Bidder and Lot, refers to whether the Bidder is Registered or not Registered for that Lot.
Reserve Price	VicForests determined starting price for Lots. These are expressed as Bidder specific Opening Target Bids.
Schedules	See Terms and Conditions for Timber Sales Schedules.
Server Time	The official clock on the Forest Auctions Website for all activities associated with the Auction
Simultaneous Auction	Auction format in which all Lots to be auctioned are offered for Bidding at the same time. The Lot Bidding Period for all Lots commences at Auction Start and concludes at Auction End unless Awarded earlier.
Single Grade Lot	Lot that includes timber of only one Grade (i.e. B, C, D, E or U).
Single Lot	Lot that does not incorporate more than one Lot (as defined in the Auction Catalogue).
Stumpage Values	Value of harvested timber (exclusive of harvest and transport costs).
Submit Bid	Bidder entry of Weighted Average Price offer for a given Lot. Once submitted, Bids cannot be withdrawn and constitute binding contractual commitments to VicForests.
System	VicForests system for conducting Online Auctions independently managed by Tradeslot Pty Ltd.
System Account	Bidder specific account (user name and password) with which to access the System for the purposes of Registration and

	Bidding.
Target Bid	Minimum Bid that a Bidder must submit to be the Leading Bidder on a given Lot.
Tied Ceiling Bids	Submitted Ceiling Bids with identical Stumpage Values.
Terms and Conditions for Timber Sales	VicForests' Terms and Conditions for Timber Sales set out on the VicForests website at www.vicforests.com.au , including all Schedules and as amended or replaced from time to time, govern the sale by VicForests, and purchase by Bidders, of timber.
Terms and Conditions for Timber Sales Schedules	Schedules included in VicForests' Terms and Conditions for Timber Sales.
Tradeslot Pty Ltd	Independent strategic sourcing solution provider providing and managing the operation of the System.
Tradeslot Registered Bidder Agreement	Agreement between a Qualified Bidder and Tradeslot Pty Ltd required to access the System.
Trigger Time	A time, pre-specified by VicForests prior to the beginning of the Auction, in the final scheduled Activity Round or Lot Bidding Period Extension that which if a Bid is submitted within, it will trigger a Lot Bidding Period Extension.
Valid Bid	<p>Bid (see Bid) submitted, for a given Lot, by an eligible Bidder that:</p> <ul style="list-style-type: none"> • Is equal to or greater than the Target Bid for that Lot • Is within applicable Capacity Limits • Includes a breakdown of Bids by Grade of timber included in that Lot. <p>The System rejects Bids that are not Valid Bids.</p>
VicForests	State owned enterprise responsible for the management and sale of timber resources in Victorian State forests on a commercial basis.
Volume Capacity Limit	Limit on total volume of timber for which a given Bidder is eligible to Bid.
Weighted Average Bids	The System calculates a Weighted Average Bid based on these Bids and the estimated proportion of each Grade of resource contained in the Lot. See Section 11.6.
Winning Bidder	For a given Lot, the Bidder to whom that Lot is Awarded.