

## RULES OF AUCTION

### AUCTION EVENT AND PROCEDURES

1. The sale by auction is subject to a reserve price.
2. The **SELLER** shall be entitled to bid up to the reserve price, but shall not be entitled to make a bid equal to or exceeding the reserve price.
3. The **RULES OF AUCTION** comply with section 45 of the Consumer Protection Act, Act 68 of 2008 ("the Act") and with the Consumer Protection Act Regulations ("the Regulations") that have been published in Government Gazette No. 34180 on 1 April 2011 (Volume 550) and any amendments from time to time.
4. Section 45 subsection (2) of the Act provides that: "When goods are put up for sale by auction in lots each lot is, unless there is evidence to the contrary, regarded to be the subject of a separate transaction."
5. The auction will commence at the published time and will not be delayed to allow any specific person or persons to take part in the auction.
6. Registration to bid at the auction:
  - i. Anyone that intends to bid at the auction must register his or her identity on the bidder's record **prior to the commencement of the auction** and such registration must meet FICA requirements (Financial Intelligence Centre Act, 2001) in respect of the establishment and verification of identity. The bidder must sign the registration form.
  - ii. Persons may only bid on behalf of another natural person by prior arrangement with **AUCTION EXCHANGE**. A person who attends the auction to **bid on behalf of another person** must produce a valid proxy form that provides him or her with full power of attorney to bid on behalf of the other individual and sign all related Rules of Auction and Sale Agreement. **AUCTION EXCHANGE** must have had opportunity to verify the power of attorney prior to the Auction Date. Both the bidder and the person on whose behalf he or she is bidding must meet the requirements of clause 1.6.1 above.
  - iii. **Where a person is bidding on behalf of a company** a letter of authority is required, on the company letterhead, accompanied by a copy of the resolution authorising him or her to bid on behalf of the company. The company representative will be required to sign surety for the company on the Rules of Auction and Sale Agreement.

- 7 The bidder's record and the vendor roll will be made available for inspection at **AUCTION EXCHANGE's** offices during normal business hours free of charge. The bidders' record will also be available for inspection at the auction.
- 8 **AUCTION EXCHANGE** has a trust account. All deposits and commissions payable in terms of the **RULES OF AUCTION** will be paid into this trust account and held there on behalf of the **BUYER** pending acceptance or decline of the Auction offer in terms of clause 2.
- 9 During the auction the **AUCTIONEER** will announce the reason for the auction, unless it is a voluntary disposal of **PROPERTY** by the owner.
- 10 The total cost of advertising and conducting the auction of the **PROPERTY** is R\_\_\_\_\_ (excluding VAT, which costs include Advertising, Marketing Material and Auction Venue.
- 11 The conduct of the auction is subject to the control of the **AUCTIONEER** who has the sole right to regulate the bidding procedure.
- 12 Every prospective bidder must read the **RULES OF AUCTION** and must not bid unless he or she has done so.
- 13 Every bid shall constitute an offer to purchase the **PROPERTY** for the amount bid under the terms and conditions contained in this **AGREEMENT**, which the seller or **AUCTION EXCHANGE** may accept or reject at their absolute discretion. The **SELLER** shall be entitled to, at their sole discretion, withdraw the **PROPERTY** from sale prior to acceptance of the offer.
- 14 If no bid equals or exceeds the reserve price, the **PROPERTY** may be withdrawn from the auction. The **SELLER** shall be entitled to instruct the **AUCTIONEER** to accept any lower bid.
- 15 In the event of any dispute between the bidders, the decision of the **AUCTIONEER** shall be final and binding.
- 16 Any error by the **AUCTIONEER** shall be entitled to be corrected by him.
- 17 No bid may be withdrawn after the fall of the hammer until the expiry of the confirmation period that is provided for in the **RULES OF AUCTION**, during which time the offer shall be open for acceptance by the **SELLER** or his representative. If the offer is accepted, the sale shall be deemed to be a sale by auction for purposes of the Act.
- 18 The highest bidder ("the **BUYER**") shall sign the **RULES OF AUCTION** immediately on the fall of the hammer.