

RULES OF AUCTION

- A. **AUCTIONEER:** **GOINDUSTRY DOVEBID S.A (PTY) LTD**
- B. **AUCTION CLOSING DATE:** **21 MAY 2015**
- C. **AUCTION LOCATION:** **DURBAN INTERNATIONAL CONVENTION CENTRE**
- D. **AUCTION CLOSING TIME:** **12:00 PM**
- 1.1. The Auctioneer certifies that, to the best of its knowledge and belief, these rules of auction comply with Section 45 and the Regulations of the Consumer Protection Act 68 of 2008 ("the Act").
- 1.2. Notice is hereby given that the auction is subject to:
- 1.2.1. a reserved price;
- 1.2.2. a right on behalf of the seller to bid at the auction;
- 1.2.3. a right of the Auctioneer to bid, at the auction on behalf of the seller, or as proxy for a registered bidder.
- 1.3. Only the Auctioneer or his agent/s shall be entitled to bid up to the reserve price on behalf of the seller but shall not be entitled to make a bid equal to or exceeding the reserve price
- 1.4. The Auctioneer has a trust account into which all moneys will be paid for the benefit of the seller, less any buyers' premium and/or commission payable to the Auctioneer in terms of the Offer to Purchase that applies to this auction sale. The Parties agree that, once the Offer to Purchase has been accepted by the Seller, such accepted offer will constitute an agreement of sale between the parties.
- 1.5. The Auctioneer (who is the supplier under the Act) shall adhere to Section 65(2) of the Act which provides as follows:
- "When a supplier has possession of any prepayment, deposit, membership fee, or other money, or any other property belonging to or ordinarily under the control of a consumer, the supplier –
- (a) must not treat the property as being the property of the supplier;
- (b) in the handling, safeguarding and utilisation of that property, must exercise the degree of care, diligence and skill that can reasonably be expected of a person responsible for managing any property belonging to another person; and
- (c) is liable to the owner of the property for any loss resulting from a failure to comply with paragraph (a) or (b). "
- 1.6. The rules of this auction comply with Section 45 of the Act and the following provisions are brought to your attention.
- 1.6.1. In this agreement, "auction" includes a sale in execution of or pursuant to a court order, to the extent that the order contemplates that the sale is to be conducted by an auction.
- 1.6.2. 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.
- 1.6.3. A sale by auction is complete when the Auctioneer announces its completion by the fall of the hammer, or in any other customary manner, and until that announcement is made, a bid may be retracted.
- 1.7. Subject to any reserved price and acceptance of the highest bid by the seller, the highest bidder (when the Auctioneer announces the completion of a sale by the fall of the hammer or in any other customary manner) is the purchaser of the goods or lots on auction.
- 1.8. Each bid will constitute an offer to the seller on the terms and conditions contained in the Offer to Purchase.
- 1.9. The Offer to Purchase will be available for inspection:
- 1.9.1. on the Auctioneer's website and at the Auctioneer's offices at least 24 (twenty four) hours prior to the auction; and

1.9.2. at the auction location.

- 1.10. Every prospective bidder must, prior to the commencement of the auction, read and understand the terms and conditions contained in the Offer to Purchase and any queries in connection therewith must be raised prior to the commencement of such auction. A prospective bidder may not bid unless he has done so. **Neither the Auctioneer nor the Seller is willing to negotiate the terms and conditions contained in the Offer to Purchase (including any annexures thereto) after the bid has been awarded.**
- 1.11. The auction will commence at the published time (as per paragraph D above) and shall not be delayed to enable any specific person or other persons in general to take part in the auction.
- 1.12. Any person who attends the auction to bid on behalf of another person or a company must produce a letter of authority expressly authorising such person to bid on behalf of that person. Where a person is bidding on behalf of a company, the letter of authority must appear on the company's letterhead and must be accompanied by a certified copy of the resolution authorising such person to bid on behalf of the company and to sign the Offer to Purchase on behalf of said juristic person.
- 1.13. Every prospective bidder shall register his or her identity in the bidder's record prior to the commencement of the auction and sign such registration entry. The registration of identity must meet the requirements of the Financial Intelligence Centre Act 38 of 2001 in respect of the establishment and verification of identity and address details.
- 1.14. The Auctioneer may not accept bids from bidders who are not registered in accordance with these rules of auction. Any bid taken from an unregistered person is invalid.
- 1.15. A registered bidder will be required to pay a refundable auction registration fee. This registration fee will be refunded to all unsuccessful bidders, and will be offset against the purchase price for successful bidders.
- 1.16. The Auctioneer will during the auction announce the reason for the auction unless that reason is the normal and voluntary disposal of property by the seller.
- 1.17. The conduct of the auction is subject to the control of the Auctioneer who has the sole right to regulate the bidding procedure.
- 1.18. The bidders' record and the vendor roll will be made available for inspection at the offices of the Auctioneer during normal business hours without the charge of a fee. The bidders' record will also be available for inspection at the auction.
- 1.19. The sale shall be by the rise and fall of the hammer and the property shall be sold to the highest bidder subject to these auction rules and the Offer to Purchase.
- 1.20. Every bid shall constitute an offer to purchase the property for the amount bid, which the seller or the Auctioneer may accept or reject in their absolute discretion. The seller and the Auctioneer are entitled, in their absolute discretion to withdraw the property from sale prior to acceptance by the seller.
- 1.21. 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.
- 1.22. In the event of any dispute between the bidders, the decision of the Auctioneer shall be final and binding and any error by the Auctioneer shall be entitled to be corrected by him.
- 1.23. No bid may be withdrawn after the fall of the hammer until the expiry of the confirmation period that is provided for in the Offer to Purchase, during which time the offer shall be open for acceptance by the seller or his agent and if the offer is accepted, the sale shall be deemed to be a sale by auction for purposes of the Act.
- 1.24. The highest bidder ("the purchaser") shall sign the Offer to Purchase immediately on receipt of the said Offer to Purchase from the Auctioneer.
- 1.25. The purchaser's offer shall remain open for acceptance by the seller or by the Auctioneer on behalf of the seller, until expiry of the confirmation period. The purchaser and the Auctioneer acknowledge and agree that this provision is for the benefit of the seller.
- 1.26. The purchaser's offer shall be deemed to have been accepted only when the seller or the Auctioneer (whichever may be applicable) has signed the Offer to Purchase on behalf of the seller and the seller shall not be required to notify the purchaser of the acceptance of its offer prior to expiry of the confirmation period.
- 1.27. Should the seller reject the purchaser's offer, the Auctioneer will repay to the purchaser any deposit and buyers' premium and/or commission paid to it in terms of the Offer to Purchase.
- 1.28. In the event of the sale requiring the consent of any statutory authority or any court of law, then this auction sale is subject to the granting of such consent.

- 1.29. The Auctioneer is entitled to proceed with the auction, without reading the rules of auction, if no bidders object as per Regulation 21(8)(a) of the Act.
- 1.30. Bidders shall be given a reasonable time and opportunity to inspect the goods prior to the commencement of the auction at a date and time specified by the Auctioneer and no fee may be charged for such opportunity. An Auctioneer may however:
- 1.30.1. refuse or restrict access to such goods if the prospective bidder, after gaining access, in any way acts unlawfully or contravenes the rules of auction; and/or
- 1.30.2. require a prospective bidder to adhere to or submit to any security measures reasonably applicable in the circumstances.
- 1.31. **BUYERS PREMIUM (AUCTIONEER'S COMMISSION)**
- 1.31.1. The purchaser shall be liable for and pay, in addition to the amounts payable in terms of the Agreement of Sale, Buyers Premium of 6% (six percent) of his bid, plus VAT thereon, for the following properties; which commission shall be payable into the trust account of the Auctioneer, together with the deposit and any VAT applicable to the Buyers Premium, immediately upon receipt of the Auctioneer's valid invoice in this respect.
- 1.32. **AUCTION COSTS**
- 1.32.1. In compliance with Regulation 21(2)(l) of the Act, the Auctioneer hereby notifies that the total costs of advertising pertaining to the auction and conducting the auction are as follows:
- 1.32.2. **Immovable Property**
- 1.32.2.1. Advertising costs – ±R250 000.00, (excluding VAT) calculated over all lots included in this auction;
- 1.32.2.2. 14% VAT on the Buyers Premium.
- 1.33. Bidders are hereby made aware that in the event of cancellation of a transaction due to breach by the purchaser, and/or late payment or non-payment of the deposit, buyers' premium and/or purchase price:
- 1.33.1. the Auctioneer stands to suffer damages and loss in the form of advertising costs, Buyers Premium and/or auctioneers commission (where applicable);
- 1.33.2. the seller stands to suffer damages and loss, including but not limited to the potential liability to pay the Auctioneer (i) the damages and loss referred to in clause 1.33.1 above, and (ii) quantified damages equal to 10% (ten percent) of the final (successful) bid submitted by the purchaser; and/or (iii) such further common law damages which the seller may be able to prove to have suffered;
- 1.33.3. the Bidder and or Purchaser may be held liable to the Seller and the Auctioneer in respect of the damages referred to in clauses 1.33.1 and 1.33.2 above subject to the limitation contained in Regulations 24 (d), (e) and (f) of the Act, and the purchaser acknowledges that the Seller shall be entitled to claim the damages set out herein on behalf of the Auctioneer.
- 1.34. I hereby certify that the rules of auction to the best of my knowledge meet the requirements of Regulation 21 of the Act.



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THESE RULES OF AUCTION MUST BE READ AND UNDERSTOOD WITH THE SELLER'S OFFER TO PURCHASE DOCUMENT AND THE NOTICE TO PURCHASERS IN RESPECT TO THIS SALE.