

RULES OF AUCTION

A. DEFINITIONS

For purposes of clarity, the following definitions are applicable to the Rules of Auction:

“auctioneer”	means the person who conducts the auction;
“auction house”	means Auction Nation (Pty) Limited or other juristic person which conduct auctions as part of its business;
“bidder”	means a person, natural or juristic, who has registered to purchase on an auction sale;
“buyer”	means a person, natural or juristic, who wishes to register to purchase on an auction sale;
“CPA ”	means the Consumer Protection Act, no. 68 of 2008 inclusive of the regulations;
“goods”	means any asset of value; movable or immovable;
“lots”	means any group of goods sold or offered for sale as a unit and identified as such;
“owner”	means a person, natural or juristic, who is the lawful owner of the assets, and who is entitled in law to sell the assets;
“parties”	means the seller and the purchaser;
“property”	means land, improvements, fittings and fixtures with regards to immovable assets or all movable assets with regards to movable property;

“purchaser”	means the bidder who is the highest bidder for the good or lots offered on auction at the fall of the hammer;
“rules of auction”	includes the general rules of auction and the specific rules of auction which meet the regulations of the Consumer Protection Act.;
“seller”	means a person, natural or juristic, who is entitled in law to sell the goods on auction, but not necessarily the owner;
“vehicles”	means motor vehicles auctioned by the auctioneer.

B. COMPLIANCE

These Rules of Auction comply with Section 45 of the Consumer Protection Act (CPA), No. 68 of 2008 and the Regulations contained therein applicable to auctions. An extract of Section 45 of the Act appears below:

Section 45: Auctions

- (1)** In this section "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.
- (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.
- (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.
- (4)** Notice must be given in advance that a sale by auction is subject to-
 - (a)** a reserved or upset price; or

- (b)** a right to bid by or on behalf of the owner or auctioneer, in which case the owner or auctioneer, or anyone one person on behalf of the owner or auctioneer, as the case maybe, may bid at the auction.

- (5)** Unless notice is given in advance that a sale by auction is subject to a right to bid by or on behalf of the owner or auctioneer –
 - (a)** the owner or auctioneer must not bid or employ any person to bid at the sale;
 - (b)** the auctioneer must not knowingly accept any bid from a person contemplated in paragraph (a); and
 - (c)** the consumer may approach a court to declare the transaction fraudulent, if this sub-section has been violated.

- (6)** The Minister may prescribe requirement to be complied with by an auctioneer, or different categories of auctioneer, in respect of-
 - (a)** the conduct of an auction;
 - (b)** the records to be maintained with respect to property placed for auction; and
 - (c)** the sale of any such property by auction.

The Rules of Auction have been signed by the auctioneer conducting the auction, and meets the requirements of regulation 21 of the CPA.

C. ACKNOWLEDGEMENT

The Rules of Auction, including the general rules, specific rules, notice to bidders and all announcements made by the auctioneer at the commencement and during the course of the auction, whether or not the bidder is present at the time such announcements are made, collectively referred to as the "Rules of Auction"

are the complete and final record of the rules of the auction and unless any warranties, undertakings or representations are set out herein, they are excluded.

The Rules of Auction in their entirety shall form the basis of the bidding and bargaining carried out between the auctioneer and the bidders, and shall also govern the rules of each sale so concluded.

Sub-regulation 21 (8) (a) states that the Rules of Auction need not to be read out in their entirety at the auction to be valid, as long as they were made available to the general public at least 24 hours prior to the commencement of the auction, either in printed format from the auctioneers' place of business or electronically from the auctioneers' website.

The act of not reading the Rules of Auction in their entirety and highlighting selected clauses for special mention at the auction should; in no way, be construed as an omission or admission that the Rules of Auction are not important.

The act of registering for the auction, signing the bidders' record and participation by any bidder in the auction shall be taken as confirmation that the bidder has read, understood, accepts and is bound by the Rules of Auction.

The auction and all matters connected with the auction including the Rules of Auction are governed by and constructed in accordance with the laws of the Republic of South Africa and the bidder, including foreign bidders consent to the jurisdiction of the South African courts.

For purposes of legal proceedings, the bidder shall be deemed to have selected and appointed as his/her domicilium citandi et executandi the address recorded by him or her in the bidders record upon registration.

The auctioneer shall be entitled to institute legal proceedings in any court having jurisdiction against the purchaser to recover the settlement contemplated in clauses 4.3 herein, and any legal costs, disbursements and charges calculated on the basis of an Attorney and own client scale.

D. GENERAL RULES OF AUCTION

1. Pre-Requisites of the Consumer Protection Act and Regulations

- 1.1. The auction was advertised in compliance with regulations 19 and 20 of the CPA, and the advertisement was placed in such a manner that the general public has had a reasonable opportunity to become aware of the auction, the goods on offer and the rules governing the auction.
- 1.2. Section 45(2) of the CPA prescribes if 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.
- 1.3. The auction will commence at the published time and will not be delayed to enable any specific person or more persons in general to take part in the auction.
- 1.4. Sub-regulation 26(2) of the CPA prescribes that every prospective bidder must, prior to the commencement of an auction, register his or her identity in the bidders' record, providing his or her positive identification, juristic registration documents, and proof of residence in terms of the Financial Intelligence Act (FICA), No. 31 of 2001.
- 1.5. Sub-regulation 26 (3) of the CPA declares that if a person intends to bid on behalf of another, he or she must produce a letter of authority expressly authorizing him or her to bid on behalf of that person, and both that person and the person bidding on his or her behalf must meet the requirements of sub-regulation 26(2) of the CPA.
- 1.6. Sub-regulation 26 (4) of the CPA states that if a person described in clause 1.5 intends to bid on behalf of a company, the letter of authority contemplated therein must appear on the letterhead of the company and must be accompanied by a certified copy of the resolution authorizing him or her to do so.
- 1.7. Sub-regulation 28 (1) of the CPA prescribes that all prospective bidders whose names appear in the bidders' record will be issued with visible bidder numbers.

1.8. Sub-regulation 26(5) of the CPA states that the bidders' record will be available for public inspection in respect of the names of bidders and bidders' numbers only, at any time, free of charge:

(a) during the auction, at the premises where the auction is being held; and

(b) before and after the auction, at the auctioneer's place of business, during normal business hours.

1.9. Sub-regulation 28(4) of the CPA states that the auctioneer will keep a vendor's roll in which all details prescribed therein will be recorded.

The vendor's roll will be available for public inspection at any time, free of charge.

1.10. Sub-regulation 21(2) (h) of the CPA, states that the auctioneer has trust accounts into which all monies are paid for the benefit of the seller, minus the agreed commission and costs in accordance with sub-regulation 21(2)(h) of the CPA.

2. Admission and Registration

2.1. The right of admission to the auction is reserved.

2.2. All persons, including buyers who enter the auction venue do so at their own risk.

2.3. Any person entering the auction venue may be subject to a random body search. All vehicles entering and exiting the auction venue will be searched.

2.4. The auction house, auctioneers, the sellers, their agents and employees shall not be liable for any injuries, damages or any losses of any nature whatsoever arising from any person's attendance and/or participation in the auction.

2.5. Such persons together with their heirs, executors, administrators or assigns, release the auction house, the auctioneers, the sellers, their

agents and their employees and hold them harmless from any duty of care towards them and all claims which may otherwise have accrued to them whether or not any such claim may arise through the negligence of any person or from any of the risks, dangers or hazards occurring in the course of their association with the auction house, auctioneers and the sellers.

- 2.6. Auction Nation shall have the right to refuse to register any natural or juristic person at their sole discretion.
- 2.7. Auction Nation shall have the right to request additional information and documentation to assist them in making a decision as to whether to permit access to their services.
- 2.8. All purchasers are required to register for an Auction and registration starts at 08h30 on auction day. The Auction will not be delayed for any person, and will start strictly at the time shown on your catalogue. However, you may register at any time before and during the auction. No purchaser may register for a Lot that has been sold.
- 2.9. To register and participate in the auction the purchaser will be required to complete and sign the registration document issued by Auction Nation and pay the registration fee.

SA Citizens: Bring your RSA ID Book. Foreign Nationals: Bring your Traffic Register, valid Passport. You cannot register on a Passport alone. In terms of Regulation 26 (3) of the Act, purchasers who cannot attend the auction in person may send a person on their behalf, but must produce a letter of authority to Auction Nation at registration.

- 2.10. A purchaser may bid via proxy bid or telephone bid provided the registration requirements are met.
- 2.11. At registration the purchaser is asked whether he/she would like to receive communication from Auction Nation by SMS and/or email, and if the purchaser agrees his/her details are loaded onto the Auction Nation system. Should the purchaser wish to stop receiving communication from Auction Nation at any time, he/she can inform Auction Nation accordingly.

- 2.12. Do not let anyone buy on your Loyalty card. If they fail to pay, you will have to pay for their purchase(s).
- 2.13. The purchaser must note that the address given in the registration documents as his/her physical address shall be deemed to be his/her chosen domicilium citandi et executandi for the purposes of acceptance of any notices or legal process arising from a breach of the rules of the auction.
- 2.14. Upon registration, prospective bidders may be required to pay a refundable deposit determined by the auctioneers from time to time payable by the following methods:
- 2.14.1. transfer
 - 2.14.2. cash deposit
 - 2.14.3. credit/debit card; or
 - 2.14.4. cheque.
- 2.15. No cash can or will be accepted at the venue due to security reasons.
- 2.16. If the purchaser chooses to pay by cheque of any kind, clearance can take up to 10 (ten) days, and until all the funds have fully cleared and reflect on Auction Nation's account, no bidding is permitted.
- 2.17. Deposits will only be refunded to the purchaser if they have not bought anything on Auction according to the Vendor Roll (Recording of the Auction). Original proof of the purchaser's banking details is required to process the purchaser's refund, as all refunds are done by Electronic Transfer only.
- 2.18. All deposits and other monies belonging to bidders and sellers will be held by the auctioneers in accordance with Section 65(2) of the CPA, which requires suppliers to hold and account for consumers' property/assets belonging to or ordinarily under the control of a consumer.
- 2.19. The auctioneer reserves the right to revoke any bidders' number at any time during the auction in terms of sub-regulation 28(3) of the CPA,

thereby refusing a person the right to remain on the auction premises in the event that such a person repeatedly behaves in such a way so as to disrupt the auction.

2.20. Auction Nation shall have the right to terminate any registration if:

2.20.1. the purchaser fails to timeously comply with any obligation imposed either by legislation or by Auction Nation;

2.20.2. Auction Nation have reason to believe that the purchaser has engaged in any unlawful or untruthful activity while making use of the services or has attempted to collude or deceive Auction Nation or other users at any time;

2.20.3. the purchaser does not comply with these terms and conditions.

3. Inspection by Prospective Bidders

In accordance with regulation 32 of the CPA a notice containing the following particulars is to be attached to the vehicle at all times when the vehicle is available for inspection by the prospective bidders:

3.1. the name and business address of the auctioneer;

3.2. if the auctioneer or auction house is conducting the sale on his, her or its own behalf whether the auctioneer or auction house is liable to discharge the duty of repair, or not;

3.3. if the auctioneer or auction house is conducting the sale on behalf of:

3.3.1. a motor vehicle dealer or bank or other financing entity, the name in which that dealer, bank or entity is licensed and the business address of the dealer, bank or entity and whether the dealer, bank or entity is liable to discharge the duty of repair, or not; or

3.3.2. another person, a statement on whether there is a duty to repair, who is liable to discharge that duty to repair and the details of the repair, and if applicable, the name and address of the last owner of the vehicle who was not a dealer, bank or entity, or alternatively

a statement that the last owner's name and address are available on request for the auctioneer or auction house;

- 3.4. if the owner let the vehicle on hire to another person under a vehicle leasing agreement, the name and address of such other person, alternatively a statement that such person's name and address are available on request from the auctioneer;
- 3.5. the vehicle's year of manufacture, if known;
- 3.6. the vehicle's year of first registration;
- 3.7. the vehicle's manufacturer and model designation;
- 3.8. the vehicle's registration number;
- 3.9. the vehicle's engine number;
- 3.10. the vehicle's identification number (VIN);
- 3.11. a statement whether or not the reading of the odometer of that vehicle is guaranteed; and
- 3.12. a statement contemplated in regulation 21(2)(i).

4. General Auction Procedures

- 4.1. The auctioneer conducts the auction as an agent, on behalf of the seller, and accepts no liability whatsoever. In the event of any disputes, the purchaser shall only have a claim against the seller, unless such disputes are as a result of the auctioneers' negligence or conduct.
- 4.2. In the event of an auction subject to a reserved or upset price, and provided notice has been given in advance in terms of section 45(4) of the CPA, the seller or the auctioneer, or any other person on behalf of the seller, or the auctioneer, as the case maybe, may bid at the auction up to the reserve price but not equal to or exceeding the reserve price.
- 4.3. In the event of an absolute or auction without reserve, the auction will be conducted in accordance with the provisions of sub-regulation 20(18)

and (19) of the CPA. In particular goods will not be offered or sold at an absolute or auction without reserve unless there is a bona fide intention at the time of advertising and at the time of the auction to sell the goods and transfer ownership of the goods, regardless of the amount of the highest and last bid, to the highest bidder, without any requirement for a minimum bid, and without allowing competing bids of any type by the seller, or any agent of the seller. In addition, the seller of the goods cannot withdraw the goods from the auction after the auction is opened and there is public solicitation or calling for bids at an absolute or auction without reserve.

- 4.4. A secured party or other lien holder or any individual party who is not a seller is not prohibited from bidding at an auction without reserve, provided such bidding does not constitute, nor is tantamount to the direct or indirect establishment or agreement to the establishment of a reserve price for the goods by the seller, or the auctioneer, or anyone aiding or assisting, or acting on behalf of the seller, or the auctioneer as the case may be.
- 4.5. Sub-regulation 20(19)(d) of the CPA permits certain goods to be offered with reserve and others offered absolute or without reserve at the same auction, and at the same time, provided non-misleading advertisement make it clear, through appropriate emphasis, which goods are offered by each method.
- 4.6. The control of the auction shall be conducted by the auctioneer, who has the sole right to regulate the bidding process and control the bid increments.
- 4.7. The auctioneer has the right to withdraw any vehicle scheduled to be auctioned.
- 4.8. The auctioneer may only sell to registered bidders. No bid will be taken from unregistered persons without bidder numbers as prescribed by sub-regulations 24(h) and 28(2) of the CPA.
- 4.9. In terms of section 55(1) of the CPA, goods are sold “voetstoots”, as is, with no guarantees or warranties; express or implied. Bidders are

entitled at no fee to inspect the goods on offer prior to the commencement of the auction in accordance with sub-regulation 28(5) of the CPA. A bid shall be taken as proof that the bidder has inspected the goods and/or has satisfied himself/herself with the condition of the goods for which he or she bids.

4.10. All vehicles which are auctioned are sold as 'motor salvage" irrespective of their appearance or condition.

4.11. Bidders must direct their bids to the auctioneer or official bid assistants. The practice whereby bidders connive suppress prices or intimidate other bidders is prohibited.

4.12. Every bid constitutes a firm offer to purchase the goods or lots on offer for the amount bid. The bidder is permitted, in terms of section 45(3) of the CPA, to retract his or her bid before the hammer falls or the auctioneer concludes bidding in any customary manner.

4.13. The purchaser shall be the highest bidder. Should any dispute arise between two or more bidders, the lot or lots shall be put up again for auction and resold; or the auctioneer may, after consultation, declare the buyer.

4.14. Sub-regulation 28(6) of the CPA provides that subject to any reserved price and acceptance of the highest bid by the owner or the seller, the highest bidder, when the auctioneer announces the completion of a sale by the fall of the hammer, or any other customary manner, is the purchaser of the goods or lots on auction. Should any dispute arise between two or more bidders regarding the identity of the highest bidder and purchaser, the decision of the auctioneer shall be final and binding.

4.15. In the event where the reserved price is not met in terms of regulation 28(6) and the seller has to accept or decline the highest bid after the completion of the auction, the highest bidder is bound by the auction rules and shall not have the opportunity to withdraw his bid until the seller has confirmed the sale or the stipulated acceptance period has expired. Negotiations between the highest bidder and the seller may arise during such acceptance period, and should any subsequent bids

be received during such acceptance period, the new bidder will register in terms of the rules of auction applicable to the auction, and will have only one opportunity to submit a higher bid. The highest bidder of the first instance shall have the sole right of refusal to equal or better such subsequent bid obtained. Any goods or lots knocked provisionally to the highest bidder subject to approval by the seller in

terms of this clause 4.14 is deemed not to be sold in terms of section 45(3) and sub-regulation 28(6) of the CPA, until the seller has accepted the offer.

- 4.16. Notwithstanding the provisions of clause 4.13 above, and subject to the provisions of clause 4.3, the owner or the seller, reserve the ultimate right, apart from the auctioneer, to fix a minimum bid for acceptance and to decline to sell to the highest or any bidder, or even to accept any lower bid, without giving any reasons.
- 4.17. The auctioneer, with the approval of the owner or the seller, reserves the right, at any time, to stop the auction, to reject any or all bids and to withdraw any goods or lots, or part thereof from the auction, either before or during the auction, without giving any reasons and without attracting any liability for such action.
- 4.18. Notwithstanding the provisions of sub-regulation 24(i) of the CPA, goods or lots may be grouped or divided with the unanimous consent of all bidders.
- 4.19. In the event of an auction sale requiring the consent of any statutory authority or any Court of Law, then the conclusion of the auction sale is subject to the granting of such consent.
- 4.20. Buyers are not permitted to enter into any transaction on Government premises. In particular, the re-auctioning of goods by bidders is prohibited within the premises of the auctioneer or the seller.
- 4.21. All vehicles are sold in the same condition as they are in at the time of the sale.

- 4.22. Lots on sale are by voluntary surrender by their respective owners, save and except bank repossessions which are identified on your catalogue by the word "FICA". Vehicles on sale at Auction Nation are from short term insurers with supplements unless the contrary is indicated.
- 4.23. There are vehicles which are sold with a reserve price, and can be identified where the vehicle is marked "Subject to Confirmation" (STC). The Auctioneer or his agent shall be entitled to bid up to the Reserve Price on behalf of the owner but shall not be entitled to make a bid exceeding the Reserve Price. STC will be confirmed within 24 (twenty four) hours after the auction.
- 4.24. Any error by the Auctioneer shall be entitled to be corrected by him.
- 4.25. No bid may be withdrawn after the fall of the hammer if the auction is subject to a reserve price 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 agent and if the offer is accepted, the sale shall be deemed to be a sale by auction for purposes of the Act.
- 4.26. The purchaser acknowledges that he/she has inspected the vehicle(s), has acquainted himself/herself with the condition of the vehicle(s) and is aware of the fact that the condition of the vehicle(s) is such that it may be in need of repair in order to be driven safely in compliance with the relevant statutes, or at all.
- 4.27. The purchaser acknowledges that neither the seller of the vehicle(s), nor any Auction Nation representative warranted or guaranteed, or made any representations regarding the condition or state of any vehicle sold.
- 4.28. Additional costs which will be for the purchaser's account will include: (1) any repairs to the vehicle, (2) keys, if none at time of sale (3) spare wheel and battery, if none at time of sale (4) additional storage, (5) removal of vehicle/s from premises (6) licensing (7) police clearance fees, where applicable

4.29. All vehicles which are auctioned have Codes, which are described as follows:

Code 2 - widely described as a "Used Vehicle", can be in a damaged state.

Code 3 - widely described as a "Rebuilt Vehicle", can be in a damaged state.

Code 4 - is a "Permanently Demolished Vehicle". This vehicle may only be purchased for parts and cannot be repaired or driven.

5. Financial Arrangements

5.1. Once goods or lots have been sold to the purchaser without reserve or confirmed by the owner or seller in an auction with reserve, the sale of the goods or lots is irrevocable and cannot be withdrawn. The purchaser shall be liable for the settlement of such purchases failing which the auctioneer, the seller or the owner, reserves the right to obtain the relief it is entitled to, including the amount paid, interest if applicable, legal costs and collection costs.

5.2. Ownership and title will only be transferred upon full settlement as contemplated in clause 5.3 hereunder.

5.3. In regard to movable goods, settlement for goods or lots purchased as contemplated in clause 5.1 herein, including advertised fees and commission, is payable upon delivery on the day of the auction. Should the auction finish after banking hours, purchases must be settled by 12h00 the day after the auction or the first working day after the day of the auction where the day after falls on a weekend or statutory public holiday.

5.4. Auctions are cash transactions and not subject to any suspensive conditions such as the granting of finance to the purchaser. Therefore, bidders intending to finance their purchases must obtain irrevocable approval or guarantee from their sponsors prior to the commencement

of the auction, so that they will be able to fulfil the settlement requirements contained in clause 5.3.

- 5.5. In line with clause 5.4 above, payment terms regarding the settlement of purchases in terms of these rules of auction are strictly cash, EFT or bank guaranteed cheques, payable in full, without deduction and free of set off for any claim the purchaser may have against the seller or the owner.
- 5.6. All payments must be made in South African ZAR currency, into the specific Trust account nominated by the auctioneer for each auction and provided to the purchaser in the Notice to Bidders forming part of these rules of auction.
- 5.7. In order to avoid cheque fraud, purchasers must never deposit bank guaranteed cheques directly into the Trust account. Instead, bank guaranteed cheques must be presented on site or at the auctioneer's premises for verification and authentication before acceptance.
- 5.8. In accordance with money laundering regulations and in the interest of security, the auctioneer does not accept cash at its auction sites. Cash deposits must be made at the bank and proof thereof must be presented on site or at the auctioneers' premises. Cash payments shall attract a cash deposit fee determined by the auctioneer from time to time and provided to the purchaser in the Notice to Bidders forming part of these rules of auction.
- 5.9. Should the auction be subject to the payment of Value Added Tax (VAT); all bids will be exclusive of VAT and VAT will be added to the bid price at the rate applicable at the time the auction is conducted. The bid price plus the VAT portion, including any commission and other fees, where applicable, shall constitute the purchase price and shall be due and payable simultaneously.
- 5.10. Invoices will be made out to purchasers who are registered bidders in terms of clauses 1.4 and 1.7 herein. No changes to purchase statements will be allowed, and the splitting of invoices among buyers

is prohibited. The registered bidder is responsible for the payment of the full invoice.

5.11. Should the purchaser default, a forfeit fee not exceeding 10% of the full purchase price or the total costs of advertising and conducting the auction, including any additional costs that may have been reasonably incurred in accordance with regulation 21(2)(l) of the CPA, whichever is the lesser. In such an event of default by the purchaser, the refundable registration deposit will be retained and used to set-off the forfeit fee contemplated in this clause 5.11, or part thereof if the fee is lesser. Should the retained refundable registration deposit be greater, the difference will be refunded to the purchaser.

5.12. Should the seller reject the purchaser's offer or default for whatever reason, the purchaser will not be charged any fee or commission, and where such fee or commission has already been paid by the purchaser, such fee or commission will immediately be refunded to the purchaser, including the refundable registration deposit. The parties shall have no further obligations under these rules of auction thereafter.

6. FICA

In accordance with the Financial Intelligence Center Act (FICA) No. 38 of 2001, no repossessed vehicle will be released until all parties to the transaction, including the bank, have been identified and verified in terms of the requirements of the Act. Auction Nation will only accept original documents or certified copies. No photocopied or faxed documents will be accepted. No exceptions will be made.

7. Removal of vehicle(s)

7.1. If full payment is not received within 72 (Seventy two) hours of date of invoice, storage fees of R172,50 (One hundred and seventy two rand fifty cents) per day per vehicle will be charged. All storage fees, if applicable, must be paid before the vehicle will be released.

7.2. No vehicle(s) will be permitted to be removed during the auction sale. Vehicles will only be permitted to be removed from the premises of Auction Nation from ___h___ until 16h00 during weekdays.

7.3. Vehicle(s) purchased by the purchaser which are on Auction Nation's premises from the time of purchase to the time of collection by the purchaser will be at the purchaser's risk and own account inclusive of any damage or shortages which may occur.

7.4. Vehicle(s) may only be removed from Auction Nation's premises by a third party if they have a signed letter of consent from the purchaser, and a certified copy of the purchaser's ID.

7.5. No vehicles may be repaired in any Auction Nation yard or auction venue.

8. Registration papers and licensing

8.1. The document handling fee charged is a pre-sales administration fee to prepare documents for sale. This is not the fee charged by Licensing authorities to change ownership of the vehicle and license the vehicle in the new purchaser's name. This fee is for the purchaser's account.

8.2. Papers will be available upon collection of vehicle or within a reasonable period of time.

8.3. Papers will only be given to the person who registered for the auction.

Papers will not be issued on a driver's licence. Papers will only be issued on a RSA ID or Traffic Register and Passport, and once full and final payment has been effected.

8.4. Notice of Change of Ownership (NCO) documents will be given to the registered purchaser to complete in his/her name only.

8.5. Papers will only be given to a third party if they have a signed letter of consent from the purchaser and a certified copy of the purchaser's ID.

8.6. In terms of the Road Traffic Act 1989 Regulation 237(1), no person may buy, sell or trade with an unregistered or unlicensed vehicle.

8.7. If the purchaser purchases a Code 2, he/she must register the vehicle in his/her name within 21 (twenty-one) days of purchase, as per the Road Traffic Act 1989 Section 14. Code 2 vehicles can be registered before they are repaired.

- 8.8. If the purchaser purchases a Code 3, he/she must first repair his/her vehicle, and then take it for Police Clearance. The purchaser will then be able to register the vehicle in his/her name.
- 8.9. Auction Nation does not auction or sell spare parts, but auctions vehicles as whole units.
- 8.10. A Code 4 vehicle is sold with No Papers and cannot be licensed or rebuilt
- 8.11. Any traffic fines received from vehicles auctioned by Auction Nation, will be transferred onto the purchaser's name and for the purchaser's account.
- 8.12. Date of first registration on the registration papers, is not necessarily the year model.

9. Purchaser Acknowledgments

- 9.1. The purchaser may only bid for the vehicle(s) that he/she is able (physically, financially and legally) to purchase.
- 9.2. The purchaser buys the vehicle(s) as is and in the specific condition that it/they are offered in.
- 9.3. Neither the seller nor Auction Nation have a duty to repair the vehicle(s).
- 9.4. The purchaser acknowledges that the vehicles are salvage vehicles and agrees that the vehicles are sold without any guarantee or warranty (express, implied, common law or statutory) and therefore the purchaser purchases the vehicles at his/her own risk.

10. Sale and Purchase

- 10.1. Both the seller and the purchaser unconditionally accept that Auction Nation has no involvement in the offering, description or sale of the goods and that Auction Nation's role is merely to facilitate the auction and therefore Auction Nation cannot accept any return of goods for any reason whatsoever.

10.2. Should the purchaser have any issue with purchase of the vehicles due to any reason whatsoever, all discussions, interactions and disputes must be directed at the seller.

11. Limitation of Liability and Disclaimer

11.1. Notwithstanding what is contained in these terms and conditions, the purchaser will be deemed to accept, acknowledge and agree that Auction Nation will not be held liable to the purchaser for any losses, damages, expenses or harm of whatsoever nature however same may arise.

12. Breach / Cancellation

12.1. The purchaser cannot cancel any vehicles purchased which he/she has bought. If the purchaser buys one or vehicles, the purchaser must pay for all his/her vehicles purchased.

12.2. In the event that the full payment of the total purchase price for all vehicles shown on the pro forma invoice has not been paid on due date, or the purchaser cannot comply with FICA, the purchaser will have breached the terms of the auction and deemed to have defaulted on the sale and agrees to the following:

12.2.1. immediate cancellation of the sale(s) without notification to the purchaser;

12.2.2. the purchaser will have no further claim on any of the vehicle(s);

12.2.3. the purchaser may be blacklisted by Auction Nation and such purchaser may be refused permission to participate in any auctions conducted by Auction Nation in the future.

13. General

13.1. All terms and conditions shall be governed by and construed in accordance with the laws of the Republic of South Africa.

13.2. No provision of the terms and conditions (including, without limitation, the provisions of this clause) may be amended, substituted or otherwise varied, and no provision may be added to or incorporated in this

agreement, except (in any such case) by an agreement in writing signed by the duly authorised representatives of the parties.

- 13.3. Any relaxation, indulgence or delay (together "Indulgence") by either party in exercising, or any failure by either party to exercise, any right under the terms and conditions shall not be construed as a waiver of that right and shall not affect the ability of that party subsequently to exercise that right or to pursue any remedy, nor shall any indulgence constitute a waiver of any other right (whether against that party or any other person).
- 13.4. Except where expressly provided to the contrary in the terms and conditions, these terms and conditions constitute the entire agreement between the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of the terms and conditions.
- 13.5. The terms and conditions may be executed in any number of identical counterparts, all of which when taken together shall constitute one agreement. Any single counterpart or a set of counterparts taken together which, in either case, are executed by the parties shall constitute a full original of the agreement between the parties for all purposes.

Payment

1. Electronic / Cash transfers only. Please use your Id number or Traffic register as a reference for an auction deposit, and the Reference used on your Pro Forma Invoice if it is for full payment. To expedite release of the vehicle/s purchased by the purchaser it is recommended that the transfer is effected from the purchaser's bank to Auction Nation's bank using the same bank. Motors vehicles will only be released once the payment is reflected on Auction Nation's bank account.
2. Bank guaranteed cheques made out to "Auction Nation" only. Please note that if you pay any part of your invoice with a cheque, we will require that they clear our account before any vehicles will be released. This

usually takes 10 days. Do not deposit any cheques; all cheques must be handed in at registration/payment. Banks have also put a limit on cheques, and cheques may not exceed R500,000. Please note that this method will invariably result in additional storage being paid

The quickest way to pay for your vehicles is by doing either (1) a bank transfer / internet payment or (2) cash deposit, using the Reference on your Pro Forma Invoice, from your bank (e.g. FNB), to our same bank. That is Absa to Absa, FNB to FNB, Nedbank to Nedbank and Standard Bank to Standard Bank.

If you are a business

You will need to bring all of the following:

- SARS letter with VAT Number (Notice of registration)
- Owners ID document and proof of physical home address (and ALL partners/directors)
- Proxy details from License Office (eNaTIS person entity particulars)
- Proxy & Representative's ID Document
- Business Certificate of Incorporation (CK1 letter)
- Current proof of Business address (See applicable forms of proof of address below)

If you are a private purchaser

You will need to bring all of the following:

- Your ID Document
- Current proof of address (See acceptable forms of proof of address below)

Acceptable forms of proof of address

Applicable to documents that are issued:

- Monthly: must not be older than 3 months, or
- Annually: must not be older than 12 months

Choose from one of the following reflecting the name and address of either the person or business:

- A utility bill (e.g. water / lights bill)
- An original bank statement. No internet statements, copies or bank profiles
- Municipal rates and taxes invoice
- Telephone and cellular account
- Valid TV license
- Recent long-term or short term insurance policy document issued by an insurance company
- Recent vehicle license documentation
- SARS document
- Retail account document e.g. Edgars, Jet etc.
- Affidavit from co-habitant, property owner or employer
- Tribal authority letter - Body Corporate/Governing body letter or statement
- Official university/technicon registration letter
- Official employer letter for mine employees
- A recent lease or rental agreement (Must not have expired)

Cards

As we strive to ensure fast and friendly service at our auctions. The registration process can be a lengthy process, with long queues and can be costly in the long run for our regular purchasers if they attend auctions that require deposits. We all know banking fees are high. We invite everyone who attends our auction on a regular basis.

Who can get one?

Anyone can apply for a Loyalty Card. All you need to do is pay a R5,000,00 (five thousand rand) permanent deposit (refundable on cancellation) into one of the

auction accounts, register for the first auction you attend as per normal, fill in an application form and hand it in at registration, and your card will be ready for collection at the auction.

What are the fees?

The initial cost of acquiring your Loyalty Card is free! There are also no annual fees, but we may charge a fee for lost cards.

How do I cancel my card and get a refund?

If you wish to cancel your Loyalty Card, simply hand in your Loyalty Card and a letter requesting us to cancel your card with your Loyalty Card Number, your name, and your banking details and we will refund you within 7 (seven) working days. We will also need proof of your banking details, e.g. a bank statement or bank profile.

Things to remember about your card

You are responsible for all purchases made on your card, including any purchases made by a third party. For privacy reasons, Auction Nation will not give information to anyone other than the applicant, and only after the applicant has satisfied certain security precautions.

- ID will be required for verification purposes
- This is not a credit card
- This card can only be used at all Auction Nation auctions
- Invoice will always be in card holder's name, and no invoice will be split

Cards Tiers

Auction Nation has created a unique loyalty card programme with 3 tiers

Silver – All purchasers will receive a silver card once registration and deposit fees have been paid. This card will enable you to receive a purchaser’s number on the day of the auction and the ability to obtain your pro forma invoices.

Gold – These cards are allocated to selected purchasers and they will receive tier privileges. Gold members will not be able to withdraw their registration deposit within 6 months of first payment

Diamond – Cards will be allocated on management discretion and in accordance to the tier rules. Diamond members will not be able to withdraw their registration deposit within 6 months of first payment. Members will have access to the VIP lounge at selected auction venues.

Tier rules:

	Silver	Gold	Diamond
Registration completed	x	x	x
FICA Completed	x	x	x
Deposit paid	x	x	x
Deposit held for 6 months		x	x
Volume of purchases			x