



RULES OF AUCTION

PLACE OF AUCTION: _____

DATE & TIME OF AUCTION: _____

1. The sale by auction is subject to reserve prices as imposed by the auctioneers principle.
2. The rules of auction comply with section 45 of the Consumer Protection Act, Act 68 of 2008 ("the Act").
3. The following provisions are brought to the purchasers attention: Section 45 subsection (1), (2) and (3) of the Act provides that:
 - a) 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.
 - b) 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.
 - c) 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. A buyer making the highest accepted bid for a lot shall become the purchaser immediately should such lots have been knocked down to him. Should there be any dispute whatsoever over or in respect of any lot, the auctioneer shall be entitled to settle such dispute at his sole discretion which shall include but not be limited to the absolute discretion to re-sell such lot or declare any bidder, the purchaser. No party shall have a claim for damages of any nature in the event of the auctioneer settling any dispute. The auctioneer's decision is final and binding on all the buyers.
5. 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 equal to or exceeding the reserve price. If no bid equals or exceeds the reserve price, the Lot may be withdrawn from the auction. The seller shall be entitled to instruct the auctioneer to accept any lower bid.
6. All vehicles and/or other assets (Lots) are sold separately as contemplated in Section 45 of the Consumer Protection Act 68 of 2008 subject to the Seller's rights to reserve prices, upset prices and/or to bid on each lot.
7. The auctioneer is not liable in any way for any defects, failures, or hazards in any offered or auctioned goods (Lots). All Lots are sold (as is) **voetstoots**.
8. In making a bid, a bidder shall be deemed to have made himself fully acquainted with the goods in the lot for which he bids. All lots, vehicles and/or assets are open for inspection and we kindly request that all viewing and inspection be done prior to the auction as neither the auctioneer nor the seller accepts any responsibility for the repair or maintenance of any goods sold at auction.
9. During the auction the auctioneer shall announce the reason for the auction, unless that reason is the normal and voluntary disposal of goods by the owner.
10. The auctioneer does not guarantee the odometer reading on any of the Lots sold.
11. The auctioneer sells each Lot as per the year of first registration as per certificate or registration in respect of motor vehicle (National Road Traffic Act 1996).
12. All vehicles and/or assets (Lots) are sold exclusive of VAT in other words if the bid price is R100 000.00 Vat must be added (R100 000.00 plus VAT @ 14 % = R114 000.00).
13. Certain lots sold on auction may be sold with a Buyers commission as stipulated by the auctioneer, such Buyers commission will be subject to VAT @ 14%.

14. All vehicles (Lots) are sold excluding a documentation fee. The documentation fee may vary from auction to auction. This documentation fee is publicized excluding VAT, **eg**:

Bid Price	R100 000.00
Documentation fee	R 1 500.00 (This amount may vary from auction to auction)
Total Exclusive VAT	R101 500.00
+ 14 % VAT	<u>R 14 210.00</u>
Total Price	R115 710.00

15. All accounts must be paid in by bank guaranteed cheque or Electronic Bank Transfer, forthwith, as the conclusion of each day's sale, in default of which, the unpaid-for lots may at the auctioneer's sole discretion be re-sold and the defaulter shall be liable for any shortfall. Ownership of the goods sold vests in the auctioneer's principal until payment in full has been made. Cheques tendered will not be regarded as payment until actually paid by the drawer bank. All goods are sold exclusive of VAT.

16. The auctioneer's vendor roll of sale is final and binding on all buyers.

17. The auctioneer reserves the right to regulate the bidding, to withdraw any lot from the sale as instructed by the Seller prior to commencement of bidding thereon. On certain lots Sellers reserve their right to sell the specific lot subject to confirmation (STC) and the Seller's (financial institutions, curator and/or liquidator and/or Sellers) will have 48 hours within which to confirm the sale, decline the offer, or negotiate any other suitable terms with the highest bidder. In terms of the rules of the Master's Office this process is regarded as a continuation of the original auction process and any sale thus concluded shall be deemed a sale by auction.

18. No bid may be withdrawn after the fall of the hammer until the expiry of the confirmation period that is provided for in the Conditions of Sale. 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.

19. All buyers have to register prior to bidding for any lot on the auction sale, failing which, a bid will not be accepted.

20. Every prospective bidder must read the Conditions of Sale and must not bid unless he or she had done so.

21. No lots can be sold subject to finance and such a bid will not be accepted so as to prevent disappointment. Kindly arrange finance prior to auction.

22. All lots bid on must be paid within 48 hours of the auction, failure to do so can result in the cancellation of the lot bid on and the bidder being liable to the auctioneer for payment of 10% of the bid price, or the costs of advertising and holding the auction whichever is the higher.

23. A R5,000.00 (Five Thousand Rand) refundable deposit must be paid for each individual registration. All registrations are subject to the Financial Intelligence Act.

24. It is now compulsory that all bidders be required to present the following documentation in order to register at our auctions:

1. Identity Documents – original or certified copy

2. Utility bill addressed to your physical address no older than 3 months

3. In the event of you bidding on behalf of a Company, Trust or Close Corporation in your capacity as Director, Trustee or Member, you will be required to submit a letter on the entity's official letterhead authorizing you to bid, sign all necessary documents and effect transfer on behalf of the entity. This must also be accompanied by a certified copy of the resolution by the directors, trustees or members of the entity authorising you to do so.

3.1 Copy of Entity's FICA Documents

3.2 VAT Registration Certificate

4. A special Power of Attorney is required, should you be bidding on behalf of another person. This Power of Attorney must expressly authorize you to bid on behalf of him/herself and must include a certified copy of his/her Identity Document and proof of that person's residential address, not being older than 3 months.

5. Income Tax Reference Number and Proof of Marital Status.

25. No cash will be accepted on our premises. If cash is paid into a Michael James Organisation Account a 1.5 % cash handling fee will be levied on the purchase price.

26. Payment to be made by bank guaranteed cheque or electronic transfer into the accounts set out from a recognized financial institution.

27. All rules of auction and regulations of the Consumer Protection Act, 68 of 2008 CPA can be accessed on our website at www.michaeljames.co.za.

28. The risk in any goods sold, shall pass to the purchaser immediately when such goods have been knocked down to the purchaser. The purchaser acknowledges that the auctioneer will secure the goods in the same way as any other goods under his control and is not liable in any way for any damage to, or shortfall in, the goods or any goods stolen or destroyed before the purchaser takes delivery of the purchased goods.

29. The purchaser shall remove the purchased goods at his sole risk and cost and shall be liable to pay storage costs to the auctioneer, if the goods are not removed within 48 hours of sale.

30. Should legal proceedings be instituted, the auctioneer may in his sole discretion do so, in his own name. The party to the agreement that has contravened the provisions of the Rules hereby agrees to pay costs on the scale as between attorney and client in the event of any litigation with the other party to the agreement and consents to the jurisdiction of the Magistrate's Court, in terms of Section 45 of Act 32 of 1944, as amended, but acknowledges that it is in the sole discretion of the auctioneer to institute action in the High Court.

31. Should the purchaser not comply with any of these conditions, the auctioneer shall in addition to any other damages, be entitled to recover from such purchaser, any loss arising from re-sale of any goods, together with the charges and expenses in respect of both sale and any deposit held by the auctioneer, shall be forfeited.

32. Every purchaser shall be deemed to act as principal unless the auctioneer has confirmed to him in writing in a letter of authority prior to the auction, that he is aware that the purchaser acts as an agent for another named person. The provisions herein shall continue to apply to anyone signing these terms as an agent for another.

33. The purchaser selects as his address of service for all purposes in terms hereof the address as given with registration.

34. The above terms and conditions constitute all the rules of the auction and form the agreement between the auctioneer and the purchaser.

35. No variation of this contract, novation or consensual cancellation nor any waiver of any portion hereof shall be of any force or effect unless reduced to writing and signed by both parties.

36. No member of staff has any rights whatsoever to make representation on behalf of the Company OR, to bind the company in any way whatsoever, unless such representation is agreed to in writing and signed in a letter of authority, by one of the Members of the Close Corporation. No warranties or representations whatsoever shall be of any force or effect or binding on the auctioneer unless given in writing and signed in a letter of authority by a member of the Close Corporation. All goods (Lots) sold are specifically without any warranties whatsoever.

37. Each term and condition contained herein is severable. In the event that any term hereof is found by a Court of Competent jurisdiction to be unenforceable for any reason, the remainder of the terms shall continue to apply and be of full force and effect.

I hereby certify that the auction rules to the best of my knowledge meet the requirements of draft regulations 27

AUCTIONEER

AUCTIONEER FULL NAMES: Andrew Richard James
ADDRESS: 63 Victoria Street, Somerset West
CONTACT NUMBER: 021 851 7007

REGISTERED BIDDER:

I have read and understood the rules of auction and have no objection to the rules of auction not being read out at the auction, to be valid

NAME: _____

ADDRESS: _____

HOME TEL: _____ WORK TEL: _____

CEL NO: _____ FAX NO: _____

E-MAIL ADD: _____

SIGNATURE