

RULES OF AUCTION

AUCTIONEER

GALETTI COMMERCIAL & INDUSTRIAL (PTY) LTD
Registration Number 2013/002103/07

Located at Building A, 4th Floor, 1 Sturdee Avenue, Rosebank, Johannesburg, 2196
Herein represented by Jonathan Craig Jack, with the power of substitution or his duly
authorised agent 011 783 1195

PLACE OF AUCTION

Nine Yards, 167 Jan Smuts Avenue, Parkwood

King David Mowbray Golf Club, 1 Raapenberg Road, Mowbray, Cape Town

The Oyster Box, 2 Lighthouse Road, Umhlanga, KwaZulu-Natal

Registered bidders are also invited to join the auction virtually/electronically by means of a secured video link or such other permitted electronic medium or platform which is accessible via the video link referred to below.

Video link detail: The log-on detail and codes will be supplied to every bidder by the Auctioneer after the prospective bidders have completed online registration, including the bidder's record which can be found on the auction platform.

The Auctioneer hereby declares as follows:

LEGISLATIVE REQUIREMENTS

1. The auction will be conducted in accordance with section 45 of the Consumer Protection Act 68 of 2008 ("CPA"), section 65 of the CPA and regulations 18 to 33 of the regulations to the CPA ("Regulations"). A copy of each of these sections of the CPA and the Regulations is available at the following link https://galetti.co.za/legal/Section_45_&_65_CPA.pdf
2. The Auctioneer confirms that these rules of auction comply with section 45 of the CPA and the Regulations.

AVAILABILITY OF THESE RULES OF AUCTION

3. The Auctioneer hereby confirms that these rules of auction were made available to the general public at least 24 (twenty-four) hours prior to the commencement of the auction. As a result, each bidder acknowledges and agrees that they have been granted adequate access to these rules of auction.

ADVERTISING

4. The Auctioneer hereby confirms that the auction was advertised in accordance with Regulation 19 and Regulation 20 of the CPA.
5. Each bidder was afforded access to such advertisement 5 (five) business days prior to the commencement of the auction, and each bidder acknowledges and agrees that they have been granted adequate access to such advertisement within the requisite period.
6. A consumer may, at any time during ordinary business hours, request the Auctioneer to provide him/her with access to an advertisement relating to the auction, and the Auctioneer shall forthwith, without charging any fee whatsoever, comply with such a request.

COSTS OF AUCTION

7. The total cost of advertising and conducting the auction of the lot or property is R1,450,000.00. A breakdown of costings will be made available on request.

NATURE OF AUCTION

8. The right of admission to the auction is reserved and the Auctioneer reserves the right to refuse to register any natural or juristic person at their sole discretion.
9. The auction will commence at the published time and will not be delayed to allow any specific person or more persons in general to take part in the auction.
10. Unless otherwise announced, **all lots are sold subject to a reserve price**, and a **48-hour confirmation period from the date of signature by the purchaser of the Auction Sale Agreement** ("Confirmation Period") in favor of the seller.
11. Any lot which is to be auctioned without reserve shall mean that - (i) the goods/assets are sold to the highest bidder without reserve; (ii) the auction does not require a minimum bid; (iii) the auction does not allow competing bids of any type by the seller or and agent of the seller; (iv) the seller of the goods/assets cannot withdraw the goods/assets from auction after the auction is opened and there is public solicitation or calling for bids; and (v) the seller has a bone fide intention to transfer ownership of the goods/assets regardless of the price realised on auction in terms of regulations 20 (18-19) and 22 (3) (i) of the CPA. The Confirmation Period shall also be applicable to an auction without reserve.
12. With regards to any lot which is subject to a reserve price, such sale by auction is subject to a right to bid by or on behalf of the seller/Auctioneer. The Auctioneer is entitled to bid on behalf of the seller up to but not exceeding the reserve price. However, such provision is not applicable to an auction without reserve. The sale in respect of any lot is complete when the Auctioneer announces its completion by the fall of the hammer and the statement "So/d", and until that announcement is made, a bid may be retracted. The fall of the hammer signifies acceptance by the Auctioneer of the highest bid.
13. The CPA provides in section 45(2) 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."*
14. The auction site shall be open and accessible to any member of the public, subject to the Auctioneer's right to refuse a person the right to remain on the auction site in the event that such person behaves in such a way so as to disrupt the auction.

REGISTRATION TO BID AT THE AUCTION

15. In compliance with Regulation 26(2), 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 the requirements of the Financial Intelligence Centre Act 38 of 2001 ("FICA") in respect of the establishment and verification of identity of the person and the person must sign the registration entry. The registration process and documentation required to register can be found by clicking on the following link: <https://galetti.co.za/services/auction> Each person must follow the registration process as set out in the link in order to register. For those persons wishing to bid at the auction virtually/electronically, they must create an online profile by clicking on the following link: <https://galetti.bidwrangler.com/> Such persons must follow the registration process to obtain the video link detail to access the auction.
16. The Auctioneer may, in his or her sole and absolute discretion, determine whether or not the requisite FICA requirements have been satisfied, and in terms of which the Auctioneer may refuse to allow any person to register to bid at the auction.
17. Any bidder who intends **to bid on behalf of another person/juristic person** must produce a letter of authority that expressly authorises such a bidder to bid on behalf of that person in accordance with Regulation 26(3). Where a person is bidding on behalf of a juristic person, the letter of authority must appear on the letterhead of the juristic person and must be accompanied by a certified copy of the resolution authorising him or her to bid on behalf of the juristic person. The principal and the bidder must both submit the relevant FICA documentation, as contemplated in rule 15. The Auctioneer may, in his or her sole and absolute discretion, determine whether or not the foregoing requirements of this rule 17 have been satisfied, and in terms of which the Auctioneer may refuse to allow any person to register

to bid at the auction on behalf of another person/juristic person.

18. In the event that the letter of authority referred to in rule 17 above is not produced as contemplated above, or is not valid and/or the Auctioneer has determined that the requirements in rule 17 have not been satisfied, then the bidder shall be deemed to be the purchaser in his private capacity, and will be responsible in his personal capacity in accordance with these rules of auction and the auction sale agreement to be entered into in respect of a successful bid, which agreement will provide the terms and conditions subject to the sale of the property ("Auction Sale Agreement").
19. The Auctioneer shall compile a bidders' record and a vendor's roll in accordance with the Regulations. The bidder's record shall be available for inspection at any time, free of charge, during the auction at the auction site or before the auction at the premises of the Auctioneer, and both during and before the auction electronically via the auction platform. The vendor's roll shall be available for inspection during normal business hours without the charge of a fee at the premises of the Auctioneer or electronically via the auction platform. Each bidder hereby consents to the information contained in both the bidders' record and the vendor's roll being made available as per the methods detailed in this rule 19.
20. All prospective bidders are required to pay a registration deposit of R100,000 in order to successfully register as a participant in the auction. The deposit is refundable should the prospective bidder be unsuccessful in securing the highest bid. A proof of payment must be provided to the Auctioneer in order to register a person as a bidder.
21. The Auctioneer has a trust account into which all moneys will be paid for the benefit of the seller, minus the agreed commission.
22. All prospective bidders are required to read and understand the rules of auction and the Auction Sale Agreement prior to the commencement of the auction. On registration the bidder becomes bound by the rules of auction and if he/she is successful, the Auction Sale Agreement. A copy of the Auction Sale Agreement is accessible through the following link: <https://galetti.co.za/services/auction>
23. Any person registered for the auction may object to these rules of auction prior to the commencement of the auction and such objection shall be recorded in the vendors roll.
24. The Auctioneer shall provide a bidder, whose name appears in the bidders' record, with a bidder number before he or she may bid, as well as a paddle or other device to which that number is attached in such a way that it is clearly visible to the persons present at the auction. In terms of those bidding virtually/electronically, all bidders will be allocated a bidder number which will be linked to their online profile.

OPPORTUNITY FOR BIDDERS TO INSPECT PROPERTY

25. The bidder acknowledges that it is afforded a reasonable period of time and opportunity to inspect the Property prior to the commencement of the auction as contemplated in terms of Regulation 28(5) of the CPA, which inspection the Auctioneer is obliged to provide to the bidder either electronically or in the traditional manner (physical inspection), pursuant to the applicable laws in place at such time.
26. In terms of section 55(1) of the CPA, goods are sold "voetstoots", as is, with no guarantees or warranties, express or implied by the Auctioneer. A bid shall be taken as proof that the bidder has inspected the goods and/or lots has satisfied itself with the condition of the goods for which he or she bids.

CONDUCT OF AUCTION AND OBLIGATIONS OF THE HIGHEST BIDDER

27. The auction shall be conducted at the auction site on the date and times provided on page 1 of these rules of auction.
28. Each bidder using the virtual/electronic platform acknowledges and agrees that the jurisdiction of the auction falls within the area in which the physical auction will be held, that being Killarney Country Club, 60 5th Street, Houghton, Johannesburg.
29. The conduct of the auction is subject to the control of the Auctioneer who has the sole right to regulate the bidding procedure.
30. The Auctioneer shall only read out these rules of auction prior to the commencement of the auction if it is required to do so in accordance with Regulation 21(8).

31. The Auctioneer will announce the reason for the auction unless such reason is the normal and voluntary disposal of the property by the seller.
32. Each purchaser acknowledges that in addition to the bid amount, the purchaser shall also be liable to make payment of Value Added Tax, other applicable sales tax, a documentation fee levied by the Auctioneer and commission. A purchaser in a transaction shall be responsible for paying any such VAT, other taxes, documentation fee and commission which may be due on amounts owed by the purchaser under these rules of auction in the applicable jurisdictions at the rates prevailing at the date that the transaction is concluded.
33. The Auctioneer shall invite bidders to make successively higher bids for the property being auctioned and the property will be sold to the highest bidder subject to these rules of the auction.
34. Bidders who are unable to attend the auction may arrange to bid telephonically. A telephone clerk will call such Bidder from the sale room and bid on his/her behalf. To register, the telephonic Bidder must complete a telephonic bidding form.
35. Every bid shall constitute an offer to purchase., With regards to an auction of a lot subject to a reserve price, the seller/Auctioneer may accept or reject in their absolute discretion. Such discretion, however, does not apply to an auction without reserve.
36. With regards to an auction of a lot with a reserve price, if no bid equals or exceeds the reserve price, where applicable, the property may be withdrawn from the auction. The seller will be entitled to instruct the Auctioneer to accept any lower bid.
37. No bid may be withdrawn by the purchaser after the fall of the hammer. Thereafter, the seller may accept the offer during the Confirmation Period if the sale is subject to a reserve price but such reserve price is not met. The seller is however obliged to accept the offer during the Confirmation Period if the reserve price is met. In respect of an auction without reserve, the seller is obliged to accept the offer during the Confirmation Period. If the offer is accepted, the sale shall be deemed to be a sale by auction for the purposes of the CPA.
38. The highest bidder on any lot will be obligated to sign the Auction Sale Agreement on the day on which such bid is accepted, which agreement the bidder acknowledges to have acquainted himself/herself therewith. The purchaser hereby appoints the Auctioneer as its attorney and agent to do all things as may be necessary to give effect to the obligations of the purchaser upon his/her bid being accepted at the auction, including the signing of the Auction Sale Agreement. Any refusal and/or failure by the highest bidder to sign the Auction Sale Agreement, as contemplated in this rule, shall constitute a breach of these rules of auction, and the Auctioneer and/or the seller reserve to the right to take whatever steps may be available to it in law to enforce its rights as a result of such breach.
39. The highest bidder in respect of any lot bid upon shall pay a buyer's premium of 10% plus VAT over and above the bid price. In the event that the buyer's premium is made via a cash deposit, the buyer will be liable for the applicable bank charges. All payments must be made in South African Rands.
40. In the event that the Auctioneer who signs these rules of auction is not available to conduct the auction, then the new Auctioneer who conducts such auction is deemed to have certified these rules of auction.
41. The Auctioneer shall not be liable to the purchaser for any losses or damaged suffered by the purchaser as a result of the termination and/or cancellation of an auction sale by the seller of any goods and/or lots.
42. These rules of auction may not be varied or amended unless agreed to in writing by the Auctioneer. The Auctioneer hereby confirms that to the extent that these rules of auction have been amended, that these rules of auction constitute the amended version.

Signed by the Auctioneer: J van Reenen.

The Auctioneer certifies that these rules, to the best of his knowledge meet the requirements of regulation 21 of the CPA and that he is personally liable and accountable for the contents thereof.