

RULES OF AUCTION

In respect of sales by

ELSO CARS (PTY) LTD – Registration Number: 2019/510648/07

Situated at

11 Pryde Park, 86 Broadlands Road Strand, Western Cape 7140

(herein referred to as the “Company”)

A DEFINITIONS

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

- a. **“Absolute auction or auction without reserve”** means an auction at which: -
 - a. Goods or assets are sold to the highest bidder without reserve;
 - b. The auction does not require a minimum bid;
 - c. The auction does not allow competing bids of any type by the Seller or an agent of the Seller;
 - d. 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
 - e. The Seller has a bona fide intention to transfer ownership of the goods/assets regardless of the price realized on auction in terms of regulation 20 (18 to 19) and 22 (3)(i) of the Consumer Protection Act, No. 68 of 2008 (herein referred to as “CPA”)
- b. **“Agent”** means a person who acts on behalf of another individual or entity.
- c. **“Auction”** means a method of marketing and selling goods or assets on a predetermined date, time and place by means of a physical exchange or online electronic transmission via the internet, or by any other means where there is solicitation of offers and competitive bidding by the public.
- d. **“Auctioneer”** means the person who conducts the auction or means the computer generated Auctioneer that conducts the auction.
- e. **“Auction house”** means ELSO CARS PTY LTD or other juristic persons which conducts auctions as part of its Business
- f. **“Auction catalogue”** means a publication listing and description that is provided for the goods/assets available for sale at a public auction, which usually includes photographs of the goods/assets, descriptions and the terms and conditions of the sale.
- g. **“Auction mandate”** means a contract executed by the Auctioneer and the Seller which provides authorisation to the Auctioneer to conduct the auction and sets out the terms and conditions of the agreement and the rights and responsibilities of each party.
- h. **“Auction services”** means the activities and tasks an Auctioneer undertakes in order to market and sell goods on auction as an agent of the owner or rightful holder, including: -
 - a. Accepting auction mandates;
 - b. Performing marketing activities for auctions;

- c. Making logistical arrangements for auctions, including site preparation, asset preparation, layout, lot numbering, stock loading and cataloguing; and
 - d. Administering auctions; including clerking, cashiering, dispatch; and
 - e. Conducting auctions either using physical exchange or online electronic transmission via the internet, or by any other means where there is solicitation of offers and competitive bidding by the public.
- i. **“Auction with reserve or auction with upset price”** means an auction where: -
- a. The Seller reserves the right to establish a stated minimum bid, the right to reject or accept any or all bids, or the right to withdraw the goods from auction at any time prior to the completion of the auction by the Auctioneer;
 - b. Goods or assets are sold to the highest bidder subject to the reserve price and acceptance of the highest bid by the Seller in terms of regulation 28(6) of the CPA;
 - c. The owner or the Auctioneer, or any one person on behalf of the owner or Auctioneer, as the case may be, may bid at the auction; provided notice has been given in advance that the sale by auction is subject to a ‘reserved’ or ‘upset price’ and
 - d. The auction becomes ‘absolute’ or ‘without reserve’ once the reserve price determined by the Seller is reached, and the Auctioneer is authorised to sell the goods or assets to the highest bidder at the fall of the hammer or the close of the auction.
- j. **“Bid”** means the prospective buyer’s indication or offer of a price that they are willing to pay to purchase the good or assets on auction and which are provided in standardised increments as established by the Auctioneer.
- k. **“Bid assistants”** means the individuals of a live auction team which are responsible for the accurate interpretation and effective communication regarding buyer participation to the Auctioneer.
- l. **“Bid caller”** means the person who actually “calls”, “chants”, or “auctions” the goods or assets at an auction, recognising the bidders and acknowledging the highest bidder. The bid called is commonly referred to as the Auctioneer.
- m. **“Bidder’s card”** means the number issued to each person who registers to participate in an auction.
- n. **“Bidder’s record”** means the document contemplated in regulation 26 of the CPA
- o. **“Buyer”** or **“Purchaser”** means any person, natural or juristic, who has registered to purchase on an auction sale.
- p. **“Buyer’s premium”** means an additional charge that is levied by the Auctioneer on the buyer over and above the bid price whereby the buyer will pay an additional amount over and above that of the purchase price.
- q. **“Closed auction”** means an auction where the Auctioneer, the owner or the rightful holder of the goods or asset; issues an invitation only to a finite list of consumers to participate in the proposed auction.

- r. **“Commission”** or **“NCC”** means the National Consumer Commission established in terms of section 85 of the CPA.
- s. **“Confirmation period”** means the period during which a Seller must either confirm or reject an offer made by the highest bidder after the completion of an auction - where the reserve price has not been met - on condition that –
 - a. The Seller has to confirm or reject an offer within 2 (two) calendar days after the completion of the auction;
 - b. The highest bidder is bound by the rules of auction and shall not have the opportunity to withdraw his or her offer until the Seller has confirmed the sale or the predetermined confirmation period has expired; and
 - c. Negotiations between the Seller and the highest bidder may arise during the confirmation period; should a further offer be received before the confirmation of the sale, the highest bidder will have the right of first refusal.
 - d. The Confirmation period does not apply to sales where the Reserve Price has been met.
- t. **“CPA”** means the Consumer Protection Act No. 68 of 2008.
- u. **“Due diligence”** means the process of viewing, inspection and obtaining information regarding the condition and the legal status of the goods or assets to be sold.
- v. **“Ghost bidding”** means an auction where Sellers use memberships of people that they know or are acquainted with, or fake memberships that they have created, in order to put false bids on auctions in an attempt to increase the price of the goods that are being sold.
- w. **“Goods”** includes; where appropriate, services.
- x. **“Hammer price”** means the price established by the highest bidder and acknowledged by the Auctioneer before dropping the hammer/gavel or announcing the close of the auction by any other customary means.
- y. **“Auctioneer”** means the person who conducts the auction or the computer generated Auctioneer in terms of the live webcast auction
- z. **“Auction house”** means ELSO CARS PTY LTD or other juristic persons which conducts auctions as part of its Business
- aa. **“Live on-location or on-site auction”** means the competitive marketing and disposal of goods or assets whereby the buyers congregate physically at one place and the Auctioneer takes bids from the floor.
- bb. **“Live webcast auction”** means an auction process similar to online auction, except that bidders are able to participate remotely from any location on the internet via live link to a ‘live on-location’ auction site.
- cc. **“Lot”** means any item or group of goods or assets sold or offered for sale as a unit and identified as such.

- dd. **“Market value”** means the highest price that goods or assets will bring in competitive and open market under all conditions applicable to a fair sale; whereby the buyer and Seller are each acting prudently, knowledgeably, and under the assumption that the price is not affected by undue stimulus.
- ee. **“Motor vehicle”** means a motor vehicle as defined in terms of the National Road Traffic Act 93 of 1996 (as amended) and is also referred to as “property”, “good(s)”, “asset(s)”, “item” in terms of this agreement.
- ff. **“Online auction”** means a competitive marketing and disposal of goods or assets which is conducted on an Internet based platform for a predetermined period of time and each lot sequentially closing at a given time. Prospective buyers bid online from their respective locations and buyers bid against each other with the system acting as an invisible Auctioneer and regulating bid increments in addition to the whole bidding process. Bid prices are updated in real time as bidding progresses and the highest bidder wins at the close of the bidding.
- gg. **“Open house”, “viewing” or “inspection”** means a specified date and time that goods or assets are made available to prospective bidders or buyers’ viewing and audits.
- hh. **“Opening bidder”** means the first bid placed as an offer by a bidder at an auction.
- ii. **“Owner” or “rightful holder”** means the person who holds legal title to the goods or property, that person’s successors and assigns and an agent of that person.
- jj. **“Person”** means any natural person, and **“juristic person”** means an entity; whether or not it has a separate legal personality, which is not a natural person and includes a body corporate, company, close corporation, trust, partnership or association.
- kk. **“Reserve” or “Reserve price”** means the minimum price that a Seller is willing to accept for the goods or assets to be sold at auction.
- ll. **“Rules of auction”, “conditions of sale” or “terms and conditions”** means the legal terms that govern the proceedings of an auction including but not limited to: acceptable methods of payment; terms; buyer’s premiums; possession; reserves and any other limiting factors applicable to auction which will be published 24 (twenty-four) hours before the auction and which is also announced by the Auctioneer prior to the start of the auction if so required.
- mm. **“Seller”** means the person who signs the mandate for an Auctioneer to sell goods or assets on auction, including the owner or the rightful holder of the goods or asset.
- nn. **“Seller’s commission”** means that the Seller pays the Auctioneer from the proceeds of the auction.
- oo. **“Seller’s settlement”** means a report that is issued to the Seller by the Auctioneer or auction company which provides details regarding the financial aspects of the auction.
- pp. **“Subject to Confirmation (“STC”)**” refers to an auction whereby: -
 - a. The sale of the goods is not complete at the fall of the hammer or the close of the auction because the reserve price as determined by the Seller has not been met; and
 - b. The Auctioneer knocks the hammer or closes the auction provisionally to the highest bidder STC by the Seller within a predetermined or confirmation period.

- qq. **“Tie bids”** means when two or more bidders bid exactly the same amount at the same time which the Auctioneer has a duty to resolve.
- rr. **“URL”** means an operational uniform resource locator, providing access to information on the internet.
- ss. **“Valuation”** means a written or oral statement, independently, objectively and impartially prepared by a qualified evaluator, prepared in accordance with generally accepted valuation standards, setting forth an opinion of defined value of an adequately described asset, as of a specific date, supported by the presentation and analysis of relevant market information.
- tt. **“Vendor bidding”** means an auction whereby the owner or Auctioneer, or any one person on behalf of the owner or Auctioneer, whichever is applicable, bids at an auction with the intention of protecting the owner’s reserve price.
- uu. **“Vendor’s roll”** means the document contemplated in regulation 28(4), in which all details of auctions are recorded.
- vv. **“Voetstoots”** means the selling or purchasing of goods or assets at one’s own risk, without warranties nor guarantees as to the condition and/or the fitness of the goods or assets for a particular use otherwise known as “as is, where is” and “in its present condition” whereby Purchasers are responsible for examining and judging the goods or assets for their own protection.
- ww. **“Withdrawal”** means taking an item or asset out of an auction because of the failure to reach the reserve price or due to insufficient bidding.

B CONSUMER PROTECTION ACT NO. 68 OF 2008

These rules of auction comply with Section 45 of the CPA, No 68 of 2008 and the Regulations contained therein which are applicable to auctions.

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. “Auction” shall include online auctions.*
- (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. For online auctions a sale is completed once the sold sign appears, up until this point a bid may be place, once a bid is placed it is no longer retractable.*
- (4) *Notice must be given in advance that a sale by auction is subject to-*
 - a. *A reserved or upset price; or*

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.

- b. In online auctions lots that have a reserve price are labelled STC pending*
- (5) Unless notice is given in advance that a sale by auction is subject to a right to bid or buy 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 ACKNOWLEDGMENT

The Rules of Auction, including the general rules, notice to bidders and all announcements which are made by Auctioneers at the commencement and for the duration of the auction, irrespective of whether or not the bidder is online on the electronic platform elected at the time that 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, undertaking or representations are set out herein, they are excluded.

The Rules of Auction as a whole shall form the grounds of the bidding and bargaining carried out between Auctioneer and the bidders, and shall also prescribe the rules of each sale so concluded.

Sub-regulation 21 (8) (a) states that the Rules of Auction need not be read out in their entirety at the auction to be valid, so 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’ registered place of Business or electronically as available on the Auctioneer’s 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 manner, be construed as an omission or admission that the Rules are not of importance.

The act of registering for the auction, signing the bidder's record and participation by any bidder in the auction shall be indicative of the confirmation that the bidder has in fact read, understood, accepted and is bound by the Rules of Auction.

The auction and all matters which are connected herewith including the Rules of Auction are regulated by and construed 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 the purpose of legal proceedings, the bidder shall be deemed to have selected and appointed as his/her domicilium citandi et executandi address recorded by him or her in the bidder's record upon registration.

The Auctioneer shall be entitled to institute legal action in any court having competent jurisdiction against any Purchaser or bidder to recover settlement as contemplated in clause 4.3 and any legal costs, disbursements and charges will be calculated on an attorney-and-own-client scale.

The Auctioneer hereby acknowledges that the rules of the auction complies and meets the requirements of the Consumer Protection Act No 68 of 2002 to the best of his/her knowledge.

D GENERAL RULES OF AUCTION

1 Legislative Framework

- 1.1. All online and On-site auctions conducted in terms of section 45 of the CPA which excludes section 55 and section 56. All items on auction are **sold with no duty to repair**. Purchasers are required to ensure that they have conducted the due diligence in regard to the good(s) and are aware of any potential issues relating to the good(s).
- 1.2. Each lot put on auction will be deemed to be a separate lot, unless there is clear, documented evidence to the contrary. If applicable, the Auctioneer will announce that the lot is auctioned 'subject to confirmation' (or "STC") prior to the auctioning of that lot.
- 1.3. The date, time and venue of the auction will be published on the Site namely <https://elsocars.co.za/auctions/>
- 1.4. The auction will commence at the published time and will not be delayed for anyone.

- 1.5. Bidders must register to be able to participate in the auction. Any bid made without the required registration will be considered invalid. All prospective bidders whose names appear on the bidder's record will make use of their registered accounts to participate in online auctions.
- 1.6. The Bidder's record will be available for public inspection in regard to the names of bidders and bidders' numbers only, at any time, free of charge.
- 1.7. To register for the auction bidders must register on the Company's website and click on the auction tab. Bidders must provide their full particulars in terms of the Financial Intelligence Act No. 31 of 2001 (herein referred to as "FICA") which includes but is not limited to their full name as per their identity document; identification number, age, physical address at which they reside at the time of registration and, where applicable, login name and password.
- 1.8. If a person intends to bid on behalf of another person, he/she must produce a letter of authority expressly providing for the authorisation of such person to bid on behalf of the other, and both that the instructing person as well as the person bidding on behalf of the instructing person comply with the requirements of sub-regulation 26(2) of the CPA.
- 1.9. If a person intends to bid on behalf of a company, a letter of authority on the letterhead of the company accompanied by a certified copy of the resolution authorising such person to do so is provided as per regulation 26(4) of the CPA.
- 1.10. The Auctioneer will keep a vendor's roll in which all details prescribed therein will be recorded and will be available for public inspection at any time, free of charge and the same applies to online auctions.
- 1.11. The auction was advertised in a manner that the general public has been afforded a reasonable opportunity to become aware of the auction, the goods on offer and the prescribed rules of auction in compliance with regulations 19 and 20 of the CPA.
- 1.12. The Auctioneer has trust accounts into which all monies are paid for the benefit of the Seller, after the settlement of all reasonable costs incurred by the Company such as the agreed commission in accordance with sub-regulation 21(2)(h) of the CPA.

2 Registration and Admission

- 2.1. ELSO CARS (PTY) LTD shall have the right to refuse to register any natural person or juristic person at their sole discretion.
- 2.2. ELSO CARS (PTY) LTD have the right to request additional information and documentation from prospective Sellers or bidders in order to assist the Company in making a decision as to whether to permit access to their services.

- 2.3. All Purchasers will be required to register for an Auction. The auction will not be delayed for any person for any reason. However, registration for auction is possible at any time prior to auction. No Purchaser will be able to register for a Lot that has been sold or once Bidding has commenced.
- 2.4. The final auction catalogue will be made available by the Company 24 hours before the auction.
- 2.5. To register and participate in the auction, the Purchaser is required to create an online profile and will be required to submit or upload FICA documents prior to the profile being activated for bidding.
 - 2.5.1. South African citizens are required to produce, upload or submit to the Company their Republic of South Africa Identification Book (ID Book) or a certified copy, Valid Drivers' Licence and Proof of Current Residential/Business Address which is not older than 3 months.
 - 2.5.2. Foreign Nationals are required to produce, upload or submit to the Company – a Traffic Register; valid Passport and Proof of Residential/Business address which is not older than 3 months. (A passport alone will not be considered sufficient in order to successfully register as a bidder or Purchaser).
- 2.6. The Purchaser must take notice that the address provided during the registration process with the accompanied documentary proof thereof must be his/her physical address which shall also be deemed as his/her chosen domicilium citandi et executandi for the purposes of acceptance of notices or legal process arising from a breach of the Rules of Auction.
- 2.7. Upon registration, prospective bidders will be required to pay a refundable deposit of R5000.00 (five-thousand rand). If one or more invoices are cancelled or where payment is defaulted by the Purchaser, the registration fee will increase by R2500.00 (two-thousand and five-hundred rand). This registration will increase by a further R2500.00 (two-thousand and five-hundred rand) for every invoice that is cancelled, or where payment by the Purchaser is defaulted. Acceptable forms of payment include:
 - 2.7.1. Electronic Funds Transfer ("EFT")
- 2.8. No cash will be accepted at the auction house unless otherwise arranged.
- 2.9. Deposits will only be refunded to the Purchaser if no purchases on auction have been concluded as per the Vendor's roll. Original proof of the Purchaser's banking details must be provided in addition to a written request to the Company by the Purchaser in order to process the refund request as well as any proof of payment for all payments as refunds are only completed through means of Electronic Transfer only.
- 2.10. All deposits and other monies received by the Company which belong to bidders and Sellers will be kept by Auctioneers as per Section 65(2) of the CPA.
- 2.11. During the registration process, the Purchaser will be asked whether he/she would like to receive communication from ELSO CARS (PTY) LTD by SMS and/or by email, and if the Purchaser agrees his/her details are uploaded onto the ELSO CARS (PTY) LTD system. Should the Purchaser wish to

stop receiving communications from the Company at any time, he/she can inform the Company accordingly.

- 2.12. Bidders are responsible for all actions which are taken on their account name and using their password. Bidders are required to keep their password safe and may not disclose it to any other person and may not permit any other person to use their account details.
- 2.13. ELSO CARS (PTY) LTD will have the right to terminate any registration if:
 - 2.13.1. The Purchaser fails to timeously comply with any obligation imposed either by legislation or by the Company;
 - 2.13.2. the Company has reason to believe that the Purchaser has engaged in any unlawful or untruthful activity while making use of the services provided by the Company or has attempted to collude or deceive the Company or any other user at any time;
 - 2.13.3. the Purchaser does not comply with the terms and conditions set out herein or those of the terms set out on the Company's Site if applicable.
- 2.14. The right of admission to the auction is reserved.
- 2.15. All persons, including Purchasers who enter the auction house do so at their own risk.
- 2.16. Any person entering the auction house may be subject to a random body search and all vehicles which enter and exit the auction house will be searched.
- 2.17. The auction house, Auctioneers, the Sellers, their agents and employees will not be held liable for any injury, damage, theft or loss of any nature whatsoever arising from any person's attendance and/or participation in inspection of goods at the Company's premises and/or participation in auction.
- 2.18. Persons attending and/or participating in auctions and their heirs, executors, administrators or assigns, release the auction house, the Auctioneers, the Sellers, their agents and their employees and hereby agree to hold them harmless from any duty of care towards themselves and all claims which may otherwise have accrued to them whether or not such claim may arise through the negligence of any person or from any of the risks, dangers or hazards that may be present or possible during the course of their association with the auction house, Auctioneers and Sellers.

3 Inspection by Prospective Bidders

- 3.1. Bidders who wish to view the Lots or vehicle(s) on auction by the Company can be done in person at the auction house which is situated at 11 Pryde Park, 86 Broadlands Road, Strand Western Cape 7140 or the vehicle(s) can be viewed on the Company's Site via the following URL: <https://elsocars.co.za/auctions/catalogue/>
- 3.2. Bidders do not have to register to view the Lots which is a free service but will be required to sign the attendance register upon entry to the Company's premises as proof of such viewing and/or inspection.
- 3.3. A viewing register must be signed upon entry to the Company's premises and proof of identification is to accompany the viewer prior to being allowed on the premises.

- 3.4. Inspection of vehicles for online auction will take place as specified by the Company on the website prior to the auction to be held, unless otherwise specified.
- 3.5. A notice conforming to regulation 32 of the CPA is to be attached to the vehicle to sold on auction at all times when the vehicle is available for inspection by prospective bidders.
 - 3.5.1. The name and Business address of Auctioneer;
 - 3.5.2. If the Auctioneer is conducting the sale on his/her/its own behalf;
 - 3.5.3. Whether the Auctioneer or auction house is liable to discharge the duty of repair or not;**
 - 3.5.4. If the Auctioneer or auction house is conducting the sale on behalf of:
- 3.6. A motor vehicle dealer or bank or 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
- 3.7. Another person, a statement on whether there exists a duty to repair, who is liable for the discharge such duty to repair and the details of the repair(s), and if applicable, the name and the address of the last owner of the vehicle who was not a dealer, bank or entity, or in the alternative, a statement that provides the name and address of the previous owner which is available on request for the Auctioneer or auction house.
- 3.8. If the owner leased the vehicle on hire to another person under a vehicle leasing agreement, the name and address of such other person or in the alternative, a statement that provides the name and address of the previous owner which is available on request for the Auctioneer or auction house:
 - 3.8.1. the vehicle's year of manufacture, if known;
 - 3.8.2. the vehicle's year of first registration;
 - 3.8.3. the vehicle's manufacture and model designation;
 - 3.8.4. the vehicle's registration number;
 - 3.8.5. the vehicle's engine number;
 - 3.8.6. the vehicle's identification number (VIN);
 - 3.8.7. a statement whether or not the reading of the odometer of that vehicle is guaranteed; and
 - 3.8.8. a statement as contemplated in regulation 21(2)(i).

4 General Auction Procedure

- 4.1. The name and the details of the auction house and the Seller accompanied by the contact details of the Auctioneer will appear and is available on the Company's website.
- 4.2. The auction will be conducted by an Auctioneer as appointed by the Company and such Auctioneer shall have the sole right to regulate the bidding process and control the bid increments.

- 4.3. The Auctioneer conducts the auction as an agent, on behalf of and under the direction of the Seller; and thereby accepts no liability whatsoever. Unless a dispute is the result of the Auctioneer's gross negligence or gross misconduct, the Purchaser shall only have a claim against the Seller;
- 4.4. The sale by auction is complete at the Auctioneer's fall of the hammer or any other customary manner accepted as indicating that the sale by auction is complete.
- 4.5. During the pre-bidding process, other registered buyers can bid against you.
- 4.6. During the pre-bidding process the buyers cannot regulate the bid increments.
- 4.7. Once the pre-bidding closes, the auction will commence whereby the system will act as Auctioneer and will regulate the bid increments.
- 4.8. The highest pre-bid amount on any vehicle will be considered as the starting bid for the Auctioneer.
- 4.9. The bidder of the highest accepted bid will be deemed to be the Purchaser, except lots sold subject to confirmation, which will be confirmed within 2 (two) Calendar days after the sale.
- 4.10. If there is a dispute between two or more bidders, the lot may again be put up for sale or the Auctioneer has the discretion to declare the Purchaser. The decision of the Auctioneer will be regarded as final.
- 4.11. If the bidder is successful, a notification will indicate that the bidder has won the lot and the bid will automatically be added to the bidder's account. When the bidder has finished purchasing items on auction, the bidder can proceed to check out and will obtain a pro forma invoice which shall be due and payable upon presentation and receipt thereof.
- 4.12. All bids received include VAT and other fees if applicable. These additional costs are payable by the Purchaser and a total breakdown of the costs will be available on your pro forma invoice.
- 4.13. If an auction is subject to a reserved or upset price, the Seller or the Auctioneer, or any other person on behalf of the Seller, or the Auctioneer, whichever is applicable, may bid at the auction up to the reserve price but not exceeding the reserve price provided that notice has been provided in advance in accordance with section 45(4) of the CPA.
- 4.14. If an auction is absolute or without reserve, the auction will be conducted in accordance with the provisions of sub-regulation 20(18) and (19) of the CPA.
 - 4.18.1. Goods will not be offered or sold at an absolute auction or an 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, irrespective of the amount of the highest and the 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.
 - 4.18.2. The Seller of the goods cannot withdraw the goods from the auction once the auction is open and there is public solicitation or bids being placed on the goods at an absolute or auction without reserve.
- 4.15. The Auctioneer has the right to withdraw any vehicle that is scheduled to be auctioned.

- 4.16. The Auctioneer may only sell to registered bidders. No bid will be accepted from unregistered persons without bidder numbers and any sales concluded without having complied with this section will result in such sale being deemed as invalid and of no force and effect.
- 4.17. In terms of section 55 (1) of the CPA, goods are sold “Voetstoots” or “as is” or “in its present condition”, with no guarantees or warranties, express or implied. Bidders are entitled to inspect the goods on offer prior to the commencement of the auction. A bid shall be taken as indication that the bidder has inspected the goods and/or has satisfied himself/herself with the condition of the goods for which he/she bids.**
- 4.18. 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 or used in compliance with the relevant statutory requirements of the National Road Traffic Act, or at all.
- 4.18.1. The Purchaser acknowledges that neither the Seller of the vehicle(s), nor the any ELSO CARS (PTY) LTD representative warranted or guaranteed, or made by representations regarding the condition of any vehicle sold.
- 4.18.2. Additional costs will be for the Purchaser’s account will include:
- 4.18.2.1. Any repairs to the vehicle whether specified or not at the time of auction;
 - 4.18.2.2. Keys, if there are none at the time of the sale;
 - 4.18.2.3. Spare wheel and battery, if none at the time of sale;
 - 4.18.2.4. Additional storage;
 - 4.18.2.5. Removal of vehicle(s) from the auction house;
 - 4.18.2.6. Licensing;
 - 4.18.2.7. Police clearance fees, where applicable;
 - 4.18.2.8. Any repairs to the vehicle whether specified or not at the time of the auction.
- 4.18.3. All vehicles which are auctioned will be categorized or identified as part of the following qualifications upon inspection and valuation by the Company:
- 4.18.3.1. RED indicates the presence or detection of previous accidental damage or non-operational vehicles
 - 4.18.3.2. ORANGE indicates the vehicle is identified as an aged model; a vehicle on which substantial cosmetic alterations has been done or is required on the vehicle; no indication or detection of previous accidental damage during inspection by the Company
 - 4.18.3.3. GREEN indicates that the vehicle is in a good operational condition with minor cosmetic alterations required or previously worked on and no indication or detection of previous accidental damage during inspection by the Company;

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 he/she/it is entitled to, including the amount paid, interest if applicable, legal costs and collection costs which will be determined on an attorney and own client scale.
- 5.2. Ownership and title will only be transferred upon full and final settlement as contemplated in clause 5.3.
- 5.3. Settlement for goods or lots purchased as contemplated in clause 5.1 herein, including advertisement fees and commission is payable. Should the auction be concluded after banking hours, purchases must be settled within 2 (two) calendar days of date of receipt of invoice or on the date of the conclusion of the auction or the first working day after the day of the auction where the day falls on a weekend or statutory holiday.
- 5.4. ELSO CARS PTY LTD reserves the right to withdraw any bids awarded, in the event that the Purchaser does not comply with clause 5.3.
- 5.5. Auctions are cash transactions and are not subject to suspensive conditions such as the granting of finance to the Purchaser. Bidders who intend on financing their purchases must obtain the requisite irrevocable approval or guarantee from their sponsors before the commencement of the auction, in order to ensure that the bidder is able to fulfill the settlement requirements as contained in clause 5.3.
- 5.6. Payment terms regarding the settlement of purchases in terms of these Rules of Auction are strictly cash deposits or direct EFTs payable in full, without deduction and free of set off for any claim that the Purchaser may have against the Seller or the owner.
- 5.7. All payments are to be made in South African ZAR currency; into the specified bank 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.
- 5.8. The Auctioneer will not and does not accept cash at its auction sites for security reasons and in compliance with the relevant money laundering regulations. Cash deposits are to be made at the bank and proof thereof must be presented on site or at the Company's premises. Cash payments shall attract a cash deposit fee as determined by the Auctioneer from time to time and provided to the Bidder in the Notice to Bidders forming part of the Rules of Auction.
- 5.9. Should the auction be subject to the payment of Value Added Taxes (herein referred to as "VAT"); all bids will be **inclusive** of VAT and VAT will be added to the bid price at the rate applicable at the time that the auction is conducted. The bid price, plus the VAT, including any commission and other fees, where applicable shall be considered as the purchase price and shall be due and payable simultaneously.

- 5.10. Invoices will be generated to Purchasers who are registered bidders in terms of the Rules of Auction herein. No changes to purchase statements will be allowed, and the splitting of invoices among buyers is prohibited. The registered Bidder is responsible for payment of the full invoice.
- 5.11. Should the Purchaser default, the refundable registration deposit will be forfeited and will be used to set off part of the forfeit fee as contemplated in this clause.
- 5.12. Should the Seller reject the Purchaser's offer or default for any 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 be refunded to the Purchaser, including the refundable registration deposit. The parties shall have no further obligations under the Rules of Auction herein.

6 FICA

No vehicle(s) or goods will be released until all parties to the transaction including the bank, have been identified and verified in terms of the requirements of the Financial Intelligence Centre Act No. 38 of 2001 (herein after referred to as "FICA"). ELSO CARS (PTY) LTD will only accept original documents or duly certified copies. Any document(s) which are photocopied or faxed will not be accepted and no exceptions will be made.

7 Removal of Vehicle(s)

- 7.1 No vehicle(s) will be permitted to be removed for the duration of the auction sale. Vehicles are only permitted to be removed from the premises of the auction house during normal Business hours between 8h00 and 17h00 during weekdays.
- 7.2 All Purchasers are responsible for the confirmation of vehicle details as advertised prior to the removal of the vehicle(s) from the ELSO CARS (PTY) LTD premises. These details include but are not limited to the vehicle code; starter status; year model; description; VIN; mileage and the condition of the vehicle.
- 7.3 The Purchaser will be liable for the costs of transporting the vehicle from the ELSO CARS PTY LTD auction facility in Cape Town - or one of the regions as specified – to the Purchaser's delivery address.
- 7.4 The Seller nor the Company will under no circumstances transport any vehicle(s) to any other site and/or alternatively any other address of the Seller, for the Purchaser's convenience.
- 7.5 The Seller may, without penalty or prior notice withdraw any item or lots from the auction prior to the commencement of the auction.
- 7.6 If full payment is not received within 2 (two) Calendar Days of date of invoice, and if ELSO CARS PTY LTD does not withdraw the bid as pointed out in clause 5.4; the Purchaser will be charged a penalty fee of R1000,00 (one thousand rand) per day per vehicle will be charged for every day that Payment remains outstanding. All penalty fees, if applicable, must be paid prior to the release of the vehicle(s).
- 7.7 Vehicles purchased and which are on ELSO CARS (PTY) LTD's premises from the time of the purchase until the time of collection of the vehicle(s) by the Purchaser will be at the risk and for the account of the Purchaser inclusive of any damages or shortages however arising.

- 7.8 Vehicle(s) may only be removed from ELSO CARS (PTY) LTD premises by a third party on behalf of a Purchaser if they provide to the Company, an original signed letter of consent in duplicate made by the Purchaser with a certified copy of the Purchaser's as well as the third party's Identification Document.
- 7.9 No vehicle(s) may be repaired on the premises of ELSO CARS (PTY) LTD.
- 7.10 Where the Purchaser uses third party transportation services for the delivery of the goods purchased, the responsibility is with the Purchaser to confirm all details as correct – as stated in the Rules herein – prior to any third party company removing the vehicle from ELSO CARS (PTY) LTD premises. If transport is arranged through ELSO CARS (PTY) LTD, the client remains responsible for the necessary due diligence prior to the removal of the vehicle.
- 7.11 All details regarding the vehicle can be validated against the vehicle registration document. If the original vehicle registration document is not available at the premises at the time of collection, a copy can be requested in order to verify the vehicle(s) details.
- 7.12 ELSO CARS (PTY) LTD will in no manner be held liable for any discrepancies regarding the vehicle code; starter status; year model; description; VIN; mileage and the condition of the vehicle once the vehicle has been removed from the auction house.
- 7.13 ELSO CARS (PTY) LTD will in no manner be held liable for any costs incurred by Purchasers or clients for vehicle(s) removed from the premises which includes but is not limited to the repairs and transportation costs of the goods purchased.
- 7.14 Should a Bidder/Purchaser not comply with any of these rules, the bid will be deemed to be invalid, the lot may be placed on auction again, and in addition to the Bidder/Purchaser forfeiting the deposit, a claim for damages may be brought against the Bidder/Purchaser.

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 Purchaser's account and the responsibility for the change of ownership and licensing remains with the Purchaser.
- 8.2 Documents respective to the vehicle(s) or goods purchased will be available upon collection of the vehicle or within a reasonable period of time.
- 8.3 Papers will only be handed to the registered bidder that registered for auction. Papers will not be issued on a driver's license. Papers will only be issued upon the bidder's presentation of an original RSA ID (Identification Document) or Traffic Register and Passport, and only once full and final outstanding settlement of payment has been effected.
- 8.4 Notice of Change of Ownership (herein referred to as "NCO") documents will be provided to the registered Purchaser to complete his/her name ONLY.
- 8.5 Documents pertaining to the vehicle(s) or the purchase and transportation thereof will only be provided to third parties on the condition that the relevant letter of consent is provided in addition to the valid and certified

copies of the ID documents of the Purchaser and the third party responsible for such collection on behalf of the Purchaser.

- 8.6 In terms of the National Road Traffic Act No. 93 of 1996, no person may buy, sell or trade with an unregistered or unlicensed vehicle.
- 8.7 If a Code 2 vehicle is purchased, the Purchaser must register the vehicle in his/her name within 21 (twenty-one) days of purchase, as per the National Road Traffic Act. 93 of 1996. Code 2 vehicles are eligible for registration before repairs.
- 8.8 If a Code 3 vehicle is purchased, the Purchaser must first effect repairs on the vehicle, if any, and thereafter obtain the requisite police clearance. The Purchaser will thereafter be able to register the vehicle in his/her name.
- 8.9 ELSO CARS (PTY) LTD does not sell spare parts, but auctions vehicles as whole units.
- 8.10 If a Code 4 vehicle is purchased, the Purchaser will be unable to obtain any documents; the vehicle is unable to be licensed or rebuilt.
- 8.11 Any traffic fines which are received by ELSO CARS (PTY) LTD, will be transferred onto the Purchaser's name and for the Purchaser's account.
- 8.12 The date of first registration on the registration documents for the vehicle is not necessarily the year model of the vehicle.

9 Acknowledgements

- 9.1 The Company accepts no responsibility for any interruption in internet connection resulting in the bidders being disconnected from the live auction, be it the bidder's or Seller's internet connection interruption for any reason.**
- 9.2 The Company accepts no responsibility for loss of a potential purchase, should a bid not be recorded as a result of the bidder being disconnected or the online system going offline during the auction process.**
- 9.3 The Purchaser may only bid for the vehicle(s) that he/she is able to physically, financially and legally purchase.
- 9.4 The Purchaser buys the vehicle(s) "Voetstoots" which means "in the condition that it is offered in".
- 9.5 Neither the Seller nor ELSO CARS (PTY) LTD have a duty to repair the vehicle(s).
- 9.6 The Purchaser acknowledges that the vehicle(s) are secondhand or salvage vehicles and agrees that the vehicles are sold without any guarantee or warranty, express, implied, by common law or by statute and therefore the Purchaser purchases the vehicle at his/her own risk.
- 9.7 The Purchaser acknowledges that there are costs in addition to the Purchase Price (hammer price) which includes but is not limited to delivery or transportation costs of the vehicle upon purchasing thereof; transfer of ownership costs; possible documentation and administration fees if applicable which will be due and payable to the Company immediately upon conclusion of the Purchase of the lot(s) (vehicle(s)) and receipt of the Pro Forma invoice received.

- 9.8 It is the responsibility of the Purchaser to verify the vehicle information before bidding on the vehicle, trade, retail, descriptions, models, year models and date of manufacture which are not guaranteed.
- 9.9 The VIN number of each lot will be provided on the auction site inside the vehicle on viewing day as well as on the auction catalogue as published.
- 9.10 Vehicle year models are recorded as date of first registration from the National Traffic Information System (herein referred to as "NaTIS") document.
- 9.11 The Seller may change or add an attribute or defect at any time on a lot (vehicle) prior to the sale of the lot (vehicle).
- 9.12 The Company reserves the right to re-inspect the vehicle prior to any parts being changes should there be a dispute, no claim will be entertained should the vehicle have been repaired or modified after the initial inspection, and without the Company having had the opportunity to re-inspect the vehicle.
- 9.13 The odometer reading stated on the notice is as read by the Company and is not guaranteed. No obligations will be imposed or implied unless expressly stated otherwise.
- 9.14 The bidder has the opportunity to inspect the lot (and thereby accepts the condition and state thereof) and has decided of his/her own free will, to bid on a lot. Failure of the bidder to inspect the lot does not preclude the acceptance of the condition or state thereof.

10 Sale and Purchase

- 10.1 If bidders are successful, he/she must produce the original documents uploaded during registration within 2 (two) working days of the conclusion of the auction.
- 10.2 Both the Seller and the Purchaser unconditionally accept that ELSO CARS (PTY) LTD has no involvement in the offering, description or sale of the goods and that ELSO CARS (PTY) LTD's role is merely to facilitate the auction and therefore the Company cannot accept the return of goods for any reason whatsoever.
- 10.3 In the event that the vehicle is owned by ELSO CARS PTY LTD, the Purchaser explicitly acknowledges that the goods will be sold "Voetstoots" or "as is" and ELSO CARS PTY LTD will not accept the return of goods purchased for any reason whatsoever.
- 10.4 Should the Purchaser have an issue with the purchase of the vehicle(s) due to any reason whatsoever, all discussions, interactions and disputes must be directed at the Seller.

11 Limitation of Liability and Disclaimer

Notwithstanding what is contained in the Rules of Auction herein in addition to the General Terms of Use on the Company's Site, the Purchaser will be deemed to acknowledge, accept and agree that ELSO CARS (PTY) LTD will not be held liable for any loss, damage, expenses or harm of any nature howsoever arising.

12 Breach or Cancellation

- 12.1 The Purchaser cannot cancel the purchase of any vehicle(s) which he/she has bid on through auction at the fall of the hammer and has been identified as the Purchaser at the conclusion of the auction.
- 12.2 In the event that the full payment of the total purchase price for all vehicle(s) displayed on the pro forma invoice has not been paid on due date, or the Purchaser is unable to satisfy compliance with FICA, the Purchaser will be considered in breach of these Rules or Terms of Auction and will be deemed to have defaulted on the sale and thereby 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 ELSO CARS (PTY) LTD and such Purchaser may be refused permission to participate in any future auction which is conducted by ELSO CARS (PTY) LTD.

13 General

- 13.1 All Rules and Terms of Auction shall be governed by and construed in accordance with the laws of the Republic of South Africa.
- 13.2 No provision contained in the Rules of Terms of Auction (including, but not limited to the provisions of this clause) may be amended, substituted or otherwise varied and no provision may be added or incorporated into this agreement, save for the exception by an agreement executed in writing and signed by the duly authorised representatives of the parties to such agreement.
- 13.3 Any relaxation, indulgence or delay (herein referred to collectively as "indulgence") by either party in exercising, or any failure by either party to exercise any right under the Rules and Terms of Auction shall not be construed as a waiver of 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 for where expressly stated to the contrary in the Rules and Terms of Auctions, these provisions 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 Rules and Terms of Auction.
- 13.5 The Rules and Terms of Auction 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.

14 Payment

- 14.1. Payment of the purchase price (hammer price) including the bid amount and any other applicable costs such as VAT must be made within 2 (TWO) working days of receipt of invoice as issued by the Company and/or within 2 (TWO) working days of the conclusion of the auction, whichever is earlier. Payment is to be accompanied by the reference number as provided for on the pro forma invoice as received.
- 14.2. Buyer's proceeds payment must reflect into the Company's bank account within 48 hours of conclusion of auction.
- 14.3. The buyer must send proof of payment ("POP") with the Pro Forma to auctions@elsocars.co.za and must present both at the Company's premises when collecting the vehicle(s).
- 14.4. If the bidder has made a deposit to the Seller, the bidder will automatically be registered provided that the necessary documents have been submitted as required. If the bidder has not made a deposit to the Seller, a payment advice requesting that the bidder pay the deposit will be sent via email to the bidder.
- 14.5. An Electronic Funds Transfer (herein referred to as "EFT") or a bank deposit of R5000.00 (five-thousand rand) is required as a deposit for registration. The amount will be placed in a non-interest bearing account. The deposit will be forfeited if the purchase price (hammer price) for the lot auctioned is not paid within the period stipulated in these Rules.
- 14.6. In the event of an unsuccessful bid, the bidder may choose that the deposit will be refunded within 5 working days. In the absence of such instruction, the deposit will remain in the account for the bidder's future participation in auctions.
- 14.7. The Seller or Company cannot approve a refund of a deposit if proof of banking details has not been verified and the personal information status is displayed as "outstanding" or "incomplete".
- 14.8. The Seller or the Company requires a bank-stamped and signed copy of the bidder's bank statement and/or letter from the bidder's bank verifying the bidder's bank details.
- 14.9. Only electronic or cash transfers will be accepted by ELSO CARS (PTY) LTD. Please use your ID number or Traffic Register as a reference for auction deposit, and the Reference supplied by the Company on the Pro Forma Invoice supplied if it is for full payment.
- 14.10. To expedite the release of the vehicle(s) purchased by the Purchaser, it is recommended that the transfer is affected from the Purchaser's bank to ELSO CARS (PTY) LTD's bank using the same bank. Motor vehicle(s) will only be released once the full and final outstanding payment is reflected in the bank account of ELSO CARS (PTY) LTD.
- 14.11. The fastest methods of payment is through either (i) a bank transfer or internet payment; or (ii) cash deposit, using the Reference as supplied on your Pro Forma Invoice, from your bank to the Company's same bank (i.e. ABSA to ABSA bank transfers; FNB to FNB bank transfers); or (iii) through immediate payment options when making payment from a bank different to that of ELSO CARS PTY LTD.

14.13 If you are a private Purchaser

You will need to supply ELSO CARS (PTY) LTD with the following:

- a. Your valid ID Document or Traffic Register and/or Passport
- b. Current proof of address
 - i. (see acceptable forms of proof of address below)
- c. Valid Driver's license
- d. Any further documentation as requested by the Company for the valid conclusion of the sale

14.14 If you are a Business:

You will need to supply ELSO CARS (PTY) LTD with the following:

- e. SARS letter with VAT Number (Notice of Registration);
- f. Owner's ID Document and proof of physical home address;
- g. Partners/Directors resolution for the purchase authorised;
- h. Letter of authorisation to bid on goods on behalf of the instructing Business;
- i. Proxy details from the relevant licensing authority (NaTIS entity particulars);
- j. Proxy and Representatives' ID Documents;
- k. Business Certificate of Incorporation (CK1 letter)
- l. Current proof of Business address
 - i. (See applicable forms of proof of address below)

14.15 Acceptable forms of proof of address

Applicable to documents that are issued:

- a. Monthly: must not be older than 3 (three) months;
- b. Annually: must not be older than 12 months

Either of the following documents can be chosen and must reflect the name and the address of either the person or the business:

- a. Utility statement of account (i.e. electricity and water bill);
- b. An original bank statement that is stamped (no internet statements, copies or bank profiles);
- c. Municipal rates and taxes invoice;
- d. Telephone and cellphone accounts;
- e. Valid TV License;
- f. Recent long-term or short-term insurance policy document issued by an insurance company;
- g. Recent vehicle license documentation;
- h. SARS document;
- i. Retail account document (i.e. Edgars);
- j. Affidavit from cohabitant, property owner or employer;

- k. Tribal authority letter – Body Corporate/Governing body letter or statement;
- l. Official university or Technicon registration letter;
- m. Official employer letter for mine employees;
- n. A current lease or rental agreement (which has not expired and is signed by all parties).

15 Refunds

Simply complete a refund form with the relevant details as required which includes but is not limited to your name and your banking details; accompanied by proof of payment and proof of banking details as supplied by the bank. A refund request will be processed within 5 (five) calendar days of receipt thereof.

16 Bidder Profiles

Bidders are responsible for the security, any and all purchases made on their profile including any purchases made by a third party whether authorised or not. For privacy reasons, ELSO CARS (PTY) LTD will not provide any information to anyone other than the applicant, and only after the applicant has satisfied the respective security precautions.

Official valid identification (ID) documents will be required for verification purposes.

Invoices will always be issued in the profile holder's name and no invoices will be split.

17 Online Auctions

- 17.1. Viewing of all vehicles for auction is made available digitally through ELSO CARS (PTY) LTD's website. All vehicles can be viewed physically prior to auction at ELSO CARS (PTY) LTD specified premises as advertised on the website or through arrangement with the Company.
- 17.2. Once registered for auction, an Autobid may be placed on a desired lot prior to the sale of that lot. The autobid amount placed is considered the maximum amount that the Purchaser intends on offering for the lot selected. The system will automatically bid on your behalf up until the autobid amount placed. Bidding increments will be determined by the system that constitutes the Auctioneer.
- 17.3. Vehicles on sale are subject to a reserve price. The reserve price will form the initial bidding price at the commencement of the Auction scheduled.
- 17.4. Auctions held online are determined and regulated by registered online buyers who determine the highest bid.
- 17.5. Should a Reserve Price be set and no one bids on the goods scheduled for auction, users will be afforded an opportunity to make an offer which will be "STC".
- 17.6. Should a Bidder have the highest bid on a lot that is marked "No STC", the Bidder will be issued an invoice for the lot bid on once the auction is concluded. The sale is final and cancelation of any invoice will result in the forfeit of the Refundable Registration Deposit paid.
- 17.7. If no bids are received during the closing period on a lot and the reserve price has been met, the vehicle will be invoiced to the highest bidder. If more bids are received during the closing period, the bidding time allowed will be extended to accommodate buyers and a new expiry time will be set by the system.

- 17.8. All winning bids placed are final and cannot be retracted. All users are liable for any lots won through placing the winning bid on the lot and cancellation thereof will result in the user's Refundable Registration Deposit being refunded.
- 17.9. Our system will automatically reject any buyer to bid against themselves, even if the initial bid is below the reserve price.
- 17.10. In order to be eligible to register for auction with ELSO CARS (PTY) LTD: South African citizens are required to be in possession of a valid Identification Document (ID) card or book and a valid driver's license and proof of residential/calendar address not older than 3 (three) months. Foreign Nationals must be in possession of a valid Passport, Traffic Register and proof of address not older than 3 (three) months. In accordance with statutory provision, a Passport alone will not be sufficient to register as a Bidder on the portal. All participants will be required to register online and have an active deposit in order to validly participate in auctions held by the Company. If a user does not have a valid deposit, a deposit can be made through our website, through Electronic Funds Transfer (EFT) or through cash deposits at their respective bank. EFT deposits will be required to be reflected in the bank account of the Company prior to account activation of the user on the system.
- 17.11. Profile login details must never be shared or disclosed to anyone. In the event of a compromised profile or profile login information being shared with another party, the owner of the Profile will be liable for any and all activity carried out on their Profile.
- 17.12. The bid amount placed is **exclusive** of fees but **includes** VAT and does not reflect the final amount that will be charged on the invoice. The final price is calculated as follows:

PURCHASE PRICE on ELSO CARS LOTS =

[Bid (VAT inclusive) + document handling fee R2365 + VAT]

PURCHASE PRICE ON CONSIGNMENT LOTS =

[Bid (VAT inclusive) + Buyer's fee + VAT + document handling fee R2365 + VAT]

- 17.13. Full and final outstanding payment as per the issued invoice to the Purchaser must be made within 2 (two) Calendar Days from the date of auction and all invoices which are not paid within such period stipulated as above will in addition, be charged with a daily penalty fee as contemplated in the Rules herein.

18. CONSIGNMENT VEHICLES

Please contact ELSO CARS (PTY) LTD should you wish to mandate the Company to sell the vehicle on your behalf. The necessary paperwork and information will be supplied in addition to this Agreement.

19. IMPORTANT NOTICE:

These rules must be read together with the Terms of Use that apply to the use of the Company's website which can be accessed here <https://elsocars.co.za/auctions/my-account/terms-of-use> or through the Company's website.

Table of Contents

RULES OF AUCTION..... 1

1 Legislative Framework..... 7

2 Registration and Admission 8

3 Inspection by Prospective Bidders..... 10

4 General Auction Procedure 11

5 Financial Arrangements..... 14

6 FICA 15

7 Removal of Vehicle(s)..... 15

8 Registration Papers and Licensing 16

9 Acknowledgements..... 17

10 Sale and Purchase 18

11 Limitation of Liability and Disclaimer..... 18

12 Breach or Cancellation 19

13 General..... 19

14 Payment 20

15 Refunds 22

16 Bidder Profiles 22

17 Online Auctions..... 22

18. CONSIGNMENT VEHICLES 23

19. IMPORTANT NOTICE:..... 24