

#### Abbreviated Terms & Conditions of Auction

1. "Auction with Reserve" means:

- i. 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 cattle from auction at any time prior to the completion of the auction by the Auctioneer;
- ii. That the cattle will be sold to the highest Bidder but subject to the reserve price and confirmation by the Seller in terms of regulation 28(6) of the CPA;
- iii. The owner or 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 price' and the auction becomes 'absolute' or 'without reserve' once the reserve price determined by the Seller is reached. And the auctioneer is authorized to sell the cattle to the highest bidder at the fall of the hammer or close of the auction.

2. "Auctioneer" means a qualified and experienced professional auctioneer who is entitled to practice and engage in all the activities of an auctioneer; including the authority to:

- i. Act as a principal auctioneer;
- ii. Conclude auction mandates;
- iii. Independently manage the affairs of an auction company;
- iv. Independently manage the affairs of an auction house;

3. "Bid" a Prospective Purchaser's indication or offer of a price they are willing to pay to purchase cattle at auction.

4. "CPA" or "the Act" the Consumer Protection Act, No. 68 of 2008.

5. "Cattle" means the cattle being put on auction by the Seller and includes stud animals.

6. "Online bidding" means an online bidding process managed by a registered online bidding agent during the auction.

7. "Purchaser" means a person or business registered as a bidder that made a successful bid on the auction.

8. "Reserve price" means the minimum price that the Seller is willing to accept for cattle to be sold at auction.

9. "Seller" means the person who signs the mandate for an auctioneer to sell cattle on auction, including the owner or rightful holder. "Seller" on this auction is Sernick Pty Ltd, Reg nr.: 1978/002199/07.

10. The VAT(Value-added Tax) status of the Seller is that the Seller is registered for VAT and that VAT is payable on top of the bid price.

11. We are selling per rising bid in South African Rand. Bids are usually in standardized increments established by the Auctioneer.

12. Auctions commence at 11h00 unless otherwise advertised and will not be delayed to accommodate any person who arrives late. The Rules of Auction will be read out at 11h00 and a copy thereof will be available to all registered Bidders.

13. At the auction, after reading of the Rules of the Auction and before the bidding starts, Bidders will be able to ask questions regarding the auction procedure and/or the cattle for sale.

14. A prospective Bidder cannot participate in the bidding process if not registered as a Bidder. This applies to both Bidders registering at the premises and Bidders wishing to bid online.

15. The registration process includes:

- i. Name and surname;
- ii. Name of business if the transaction will be on behalf of a business
- iii. VAT number and VAT registration certificate;
- iv. Registration of the prospective Bidder's identity or passport number;
- v. Providing a residential address and proof of residence;
- vi. Providing contact details, which include telephone number and e-mail, etc

16. A person who attends the auction to bid on behalf of another person, must produce a letter of authority that expressly authorises him/her to bid on behalf of that person. Where a person is bidding on behalf of a business, the letter of authority must appear on the letterhead of the business and must be accompanied by a certified copy of the resolution authorising him or her to bid on behalf of the business.

17. All registered Bidders must thoroughly inspect the cattle and must not bid unless he/she has done so.

18. All persons enter the auction at their own risk.

19. The Proceedings during the auction is subject to the control of the Auctioneer of the day who has the sole right to regulate the bidding procedure.

20. The right to admission to the auction is reserved and the Auctioneer may refuse any authorised access.

21. Any form of manipulation or collusion between bidder who themselves can benefit from the sale is strictly forbidden.

22. The Auctioneer reserves the right to at any time revoke a bidder's number and to order him/her to leave the premises.

23. In the event of any dispute between the Bidders, the auctioneer shall act as a referee and the decision of the auctioneer shall be final and binding upon the parties.

24. The Auctioneer or his/her 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.

25. The Auctioneer shall be entitled to correct any error by him/her.

26. Every bid shall constitute an offer to purchase the cattle for the amount bid, which the Seller or the Auctioneer may accept or reject in their absolute discretion. The Seller and the Auctioneer are entitled to withdraw the cattle from sale prior to acceptance by the Seller.

27. If no bid equals or exceeds the reserve price, the cattle may be withdrawn from the auction. The Seller shall be entitled to instruct the auctioneer to accept any lower bid.

28. No bid may be withdrawn after the acceptance by the Seller. During this 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.

29. The auction shall include online bidding procedures where Purchasers will be able to bid online through a transparent online bidding platform. The online bid will be presented in real time at the auction by the online bidding agent and the online bidder will be disclosed during the process.

30. The Purchaser's offer shall remain open for acceptance by the Seller or by the Auctioneer on behalf of the Seller.

31. The Purchaser and the Auctioneer acknowledge and agree that this provision is for the benefit of the Seller.

32. The Auctioneer is not held liable for loss or damage suffered by the Purchaser due to the termination or cancellation of the sales.

33. In the event of the sale requiring the consent of any statutory authority or any court of law, then this auction sale is subject to the granting of such consent.

34. The full bid price of cattle and VAT must be paid within 7 (Seven) calendar days after confirmation of the sale by the Seller or the Auctioneer and only after paying may he/she take possession of the cattle he/she bought.

35. The Purchaser shall be held liable for interest at prime interest rate on any outstanding amounts unless otherwise agreed in writing between the Seller and Purchaser

36. In the event that the Seller is obliged to institute legal steps, the Purchaser shall be liable for such legal costs on an attorney and own client scale.

37. The risk of damage to or loss of the purchased cattle immediately passes to the Purchaser on acceptance of the bid even if it is stored or remains on the Auctioneer's/Seller's premises.

38. The Seller shall deliver for free to any destination in South Africa any stud animal purchased and paid for as well as deliver for free within a radius of 300 (three hundred) kilometers from the Seller's premises any commercial cattle purchased and paid for. Delivery shall only be made once the purchase price and VAT has been paid in full.

39. The Seller shall take out and pay for *in transito* insurance for any cattle delivered by the Seller.

40. The Seller shall take out comprehensive insurance for all stud bulls sold on the auction for 30 days after the auction.

41. The Purchaser will have the option to extend this insurance in its sole discretion and this agreement will be between the Purchaser and broker directly. The payment of the extended insurance premium will be for the Purchaser's account.

42. In certain scenarios and only on written approval and agreement by the Seller the bid price plus VAT thereon is payable within 60 (sixty) calendar days from the date of auction and interest at prime will be levied on this agreement.

43. If the bid price above plus VAT remains outstanding after 60 (sixty) days from date of auction, the outstanding amount shall accrue interest at 2% (two percent) per month, calculated daily and capitalised monthly.

44. The Seller shall also be entitled to charge standing costs to the Purchaser as from the date of auction if the cattle remains on the premises of the Seller for more than 60 (sixty) days from date of auction.

45. In the above scenario the Seller may in its sole discretion decide to deliver cattle to the Purchaser and in this event a separate acknowledgement of debt document shall be signed between the parties.

46. The Auctioning house is entitled to resell or auction again all cattle the Purchaser did not pay for in full.

47. Section 55 (1) expressly states that the cooling off period does not apply to cattle bought on auction: "Consumer's right to safe, good quality cattle 55.(1) This section does not apply to cattle bought at an auction, as contemplated in section 45."

48. The rules of the auction meet the requirements of the CPA and the applicable regulations (with special reference to regulation 19 to 30) to the best of the Auctioneer's knowledge.

I accept the terms and conditions:

Signature

02/06/2023