

GENERAL TERMS AND CONDITIONS FOR THE PROVISION OF SERVICES

1. SERVICE PROVIDER GUARANTEE

- 1.1 The Service Provider shall deliver the Service Provider's Guarantee to SARS not later than fourteen (14) days before an Auction, or as otherwise directed by SARS.
- 1.2 Subject to **clause 15.1** below, the Service Provider's Guarantee shall be refunded to the Service Provider upon full payment of the Gross Proceeds of the Auction.

2. SERVICE PROVIDER'S OBLIGATIONS IN GENERAL

- 2.1 The Service Provider shall ensure that it complies with all obligations in respect of auctions as set out in the Consumer Protection Act, 2008 (Act No. 68 of 2008) [the "CPA"], read together with the regulations promulgated under the CPA. The Service Provider in particular undertakes to comply with regulations 18 to 33 of the CPA which relate specifically to auctions.

3. LANGUAGE

- 3.1 Auctions shall be conducted in English and the conditions of an Auction must be communicated by the Service Provider to the prospective bidders prior to the commencement of an Auction.

4. ADVERTISING OF AUCTIONS

- 4.1 The Service Provider is responsible for advertising an Auction in the public press subject to the following:
- 4.1.1 pre-approved advertisements shall be placed in the public press by the Service Provider not less than two (2) weeks before an Auction or as otherwise agreed in writing by SARS;
- 4.1.2 advertisements shall contain the following information:
- 4.1.2.1 that it is a SARS Auction;
- 4.1.2.2 the venue of the Auction;
- 4.1.2.3 the date of the Auction;

- 4.1.2.4 the time of the Auction;
 - 4.1.2.5 a brief description of goods to be offered for sale;
 - 4.1.2.6 that goods are sold *voetstoots* and that certain goods have conditions attached to them;
 - 4.1.2.7 the venue, date and time for viewing, which venue may, at the discretion of SARS differ from the Auction venue;
 - 4.1.2.8 to whom enquiries may be directed as determined by SARS; and
 - 4.1.2.9 a list of the documents which should accompany any prospective bidder attending the Auction;
 - 4.1.3 draft copies of the proposed advertisement as well as quoted publication costs must be presented to SARS, prior to publication and at least twenty one (21) days before the proposed date of an Auction, for approval which approval shall be in the absolute discretion of SARS;
 - 4.1.4 pro-forma invoices must be forwarded to SARS immediately after all advertisements have been placed; and
 - 4.1.5 SARS shall reimburse the Service Provider with the actual cost of advertising upon proof thereof and SARS shall receive the benefit of any discount in respect of advertising provided by the advertiser.
- 4.2 The amount expended on advertising should be based on:
- 4.2.1 the estimated Gross Proceeds of an Auction and shall in any event not exceed R(**TO BE ADDED**); and
 - 4.2.2 the target group of prospective bidders.

5. VENUE

- 5.1 An Auction shall be conducted at a venue/s appointed by SARS. SARS shall notify the Service Provider in writing of the location of the venue not less than thirty (30) days before the date of Auction.
- 5.2 An Auction may take place at a particular venue whereas the viewing of the Goods

may be arranged for at a different location, as determined by SARS.

6. GOODS FOR SALE

6.1 SARS shall twenty eight (28) days before the date of an Auction provide the Service Provider with a detailed list of Goods to be advertised and auctioned.

6.2 The Service Provider shall, subject to prior agreement between the Parties, provide certain services, at the cost of the Service Provider, including:

6.2.1 cleaning of the goods;

6.2.2 valet vehicles; and

6.2.3 affecting minor repairs to goods.

6.3 The Service Provider shall compile a Catalogue from the sales list provided by SARS.

7. INSPECTION OF THE GOODS

7.1 The Service Provider shall attend the relevant site(s) to compile a slideshow of all the Goods on Auction. A CD / DVD, containing the slideshow must be handed over after an Auction.

7.2 The Service Provider shall inspect the Goods not later than two (2) days before an Auction and ensure that lot numbers are correct. The Service Provider shall also for two (2) days prior to an Auction be available at the venue, from 8h30 – 15h30, to assist the public in viewing.

7.3 In the event that Goods which are being put up for auction are not being stored at the place where an Auction shall be conducted, a further period of two (2) days for inspection must be allowed.

8. REGISTRATION OF PROSPECTIVE BIDDERS

8.1 The Service Provider shall register all prospective bidders, recording their identity

numbers or passport numbers, physical addresses and contact details, which process shall commence two (2) hours before an Auction.

- 8.2 The Registration Fee must be R10 000.00 per prospective bidder.
- 8.3 The Service Provider shall be responsible for the collection of the Registration Fee and for the refund thereof after conclusion of an Auction.

9. PROSPECTIVE BIDDERS' RECORDS

- 9.1 The Service Provider undertakes to ensure that each prospective bidder's record complies with all the legislative requirements contained in the CPA.

10. PAYMENT

- 10.1 The Service Provider shall ensure that payment in respect of all sales is received before conclusion of an Auction or such later time as agreed to by SARS with due regard to the circumstances of an Auction. The Service Provider as the auctioneer has the right to demand payment from a Successful Bidder once the bid has been, "knocked down" to a Successful Bidder.
- 10.2 Payment shall only be accepted in cash and electronic funds transfer, provided that where payment is made by electronic funds transfer, the Service Provider shall require proof of payment from the Successful Bidder.
- 10.3 The Service Provider must register with SARS to obtain an importer / exporter code.
- 10.4 The Service Provider shall pay the Gross Proceeds of an Auction to SARS within forty eight (48) hours of the closing of an Auction by way of electronic funds transfer.
- 10.5 Reasonable hiring costs of tables and chairs for an Auction may be deducted from Gross Proceeds, upon production of valid invoices.
- 10.6 All monies received by the Service Provider must be recorded, in triplicate, in a receipt book, whereafter the original receipts shall be furnished to SARS within seven (7) days of an Auction.

- 10.7 The Service Provider shall furnish SARS with a Sales Report within seven (7) days after the date of an Auction.

11. RESERVE PRICE

- 11.1 SARS has the right to stipulate a reserve price for any Goods on auction and to withdraw any Goods from an Auction if, in its sole discretion, no suitable or acceptable price is obtained.

12. REMOVAL OF GOODS AFTER AUCTION

- 12.1 Goods shall be removed by the Successful Bidder on the terms and conditions as provided for under **clauses 2.2.9 to 2.2.13** in **Annexure B**.
- 12.2 Goods shall only be released to the Successful Bidder after payment has been received and upon production of a receipt marked "PAID" and issued by the Service Provider.

13. CANCELLATION

- 13.1 SARS has the right to cancel an Auction at any time prior to the commencement thereof. In the event of such cancellation and where applicable, advertising expenses already incurred by the Service Provider, and approved by SARS, shall be refunded on production of documentary proof except where, in the absolute discretion of SARS, an Auction was cancelled as a result of conduct by the Service Provider.

14. SARS DIRECTIVES

- 14.1 SARS reserves the right to stipulate such additional reasonable conditions as may be required by the particular circumstances of an Auction or which are mandatory by operation of law.
- 14.2 The Service Provider undertakes to comply with any directives from SARS in terms of the SARS Policy in relation to State Warehouses, as defined by law applicable to the disposal, removal and release of Goods from State Warehouses.

- 14.3 Nothing herein contained shall affect SARS's right to sell the Goods in any manner as it deems fit.

15. PENALTIES

- 15.1 In the event that the Service Provider breaches any of the terms and conditions of this Agreement relating to service levels and compliance with the Terms and Conditions contained in **Annexures A and B**, SARS shall be entitled to call up the Service Provider's Guarantee as a penalty payment for such breach. Such penalty shall not absolve the Service Provider from any other liability which it may have incurred for such breach and SARS has the right to, in addition, take such action as prescribed and allowed by law.