

**Service Level Agreement
Single Timed Event**

Entered into between

Side Effects Design and Innovation (Pty) Ltd
Registration Number: 2008/009261/07
(herein after referred to as "SE")

and

Cebisa Auctions (Pty) Ltd t/a Auction Specialist

Registration Number: 2016 2655 4407

(herein after referred to as "The User")

PLEASE READ THE FOLLOWING AGREEMENT CAREFULLY. IT CONTAINS VERY IMPORTANT INFORMATION ABOUT YOUR RIGHTS AND OBLIGATIONS, AS WELL AS LIMITATIONS AND EXCLUSIONS THAT MAY APPLY. BY SIGNING ACCEPTANCE OF THE AGREEMENT YOU ARE CONSENTING TO BE BOUND BY AND ARE BECOMING A PARTY TO THIS AGREEMENT.

Summary

User Information	
Company Name	Cebisa Auctions (Pty) Ltd t/a Auction Specialist
Registration Number	2016 2655 4407
VAT Number	4830288371
Address	23 Willow Crescent, Pinetown, 3610
Contract Period	1 June 2021 to the later of 28 February 2022 or 30 days after the close of the last auction for the contract Etekweni Municipality Movable Disposals Contract – 7S-47680
Representative Information	
Full Name (1)	
Email Address	
Cell Number	
Full Name (2)	
Email Address	
Cell Number	
SE Contact Information	Tanya Gunther
Email Address	tanya@theauctioneer.co.za
Contact Number	073 513 2075

1. Service Description

- a. SE will provide access to the online auction system hosted at www.onlineauction.africa for the live auction event broadcast as per the date and time confirmed by the user.
 - i. Timed Auction refers to an online only auction event with a set start and end time to which approved bidders place bids in predetermined increments on an auction lot.

2. Training

- a. SE shall undertake to train The Users nominated representative/s in order for them to be able to create, approve, run and finalise the live auction event through the online auction system unless The User opts to utilise the services of SE to operate the live auction event.
- b. If applicable training will be offered through the following channels:
 - i. Training videos
 - ii. Training manuals
 - iii. Live training session via an acceptable online channel
 - iv. Face to face training may be undertaken at the discretion of SE based on availability of staff and the location of The User. Possible travel and time related expenses will be discussed and agreed between SE and The User prior to any face to face training being undertaken.

3. Creation and Approval per Auction Event

- a. SE shall create the timed auction event on the online auction system on behalf of The User.
- b. The User shall approve the auction event prior to the auction event being published by SE.

4. Auction Event Content

- a. It is the responsibility of The User to populate an auction event with the following information:
 - i. Terms and conditions of the specific auction event
 - ii. Lot descriptions
 - iii. Catalogue pictures and videos
 - iv. Reserve prices per lot (if applicable)
 - v. Opening bids and bid increments per lot (if applicable)
- b. If agreed in writing The User may provide the required auction event content as listed in 5a. in the required format to SE for upload. This will be charged at the rates as listed in 12.

5. The User must ensure that:

- a. The User has the principal's full authority to offer the lot for sale;
- b. any personal / corporate interest in a lot is declared in the listing;
- c. each lot is described completely and accurately;
- d. The User possesses all necessary rights to offer a lot for sale. The User must ensure that the title, details of the artist/designer/manufacturer (where relevant), provenance and proper description (to include but not be limited to condition) are accurate; and
- e. the lot listed for sale can be sold legally in South Africa (or wherever the auction takes place).
- f. Notwithstanding the above where there is a complaint that a lot has been mis-described (for any reason) The User undertakes to deal with the complaint promptly reasonably and fairly and in accordance with its duties and obligations to a bidder whether expressly stated or implied by any law, rule, regulation or guideline in force from time to time.
- g. By accepting bidding on a lot, The User accepts that it may no longer remove the lot from sale.

6. Marketing and Advertising of an Auction Event

- a. It is the responsibility of The User to undertake marketing and advertising activities to promote auction events as hosted on the online auction system.
- b. In terms of this agreement SE does not offer any actual or perceived marketing or advertising services for The Users auction events other than those at the discretion of SE and the general website traffic and upcoming auction promotion that is offered on a general basis by hosting The Users event/s on www.onlineauctions.africa.

7. Bidder Registration

- a. Bidders shall register directly on the online auction system with a username and password.
- b. The User will review and pre-approve in advance of any auction (in its absolute discretion) all bidders in order for them to participate in the auction and will instruct bidders as regards billing, payment, shipping, storage,

terms and conditions, and instructions for each auction – this is not the responsibility of SE and SE will have no liability in this regard.

- c. It is the responsibility of The User to ensure that these credentials are kept confidential.

8. Conclusion and Reconciliation per auction event

- a. At the conclusion of an auction event the following must be undertaken by The User:
 - i. A summary report of the auction event, in the pre-approved format, will be downloaded by SE and sent to The User via email as listed on the summary page of this Agreement.
 - ii. Within a period of 14 days, The User must send an updated summary to SE with confirmed auction event sales.
 - iii. From the above confirmed auction event sales, an invoice will be created by SE and the terms of payment is 16 days after the auction close.
 - iv. The above period of reconciliation may only be extended if agreed to by SE in writing.

9. Protecting SE and the Online Auction System

- a. The User warrants and undertakes that:
 - i. its access to and use of the online auction system will not cause SE any loss, damage or any liability whatsoever, or cause any interference, interruption or disruption to SE, or cause the White Label system to become less efficient, less effective, or less functional;
 - ii. The User will not copy, reproduce, modify, communicate to the public, or make derivative product from or publicly display any material available on or through the online auction system other than in connection with the receipt of the services for its internal business purposes as an Auctioneer or dealer.

10. Period of Agreement

- a. The term of this Agreement is limited to the period of the auction event as included per the summary of this Agreement.

11. Charges

- a. Per event fee
 - i. The event fee shall amount to R4 000 (excl VAT) per event.
 - ii. R1 500 management fee
- b. Success fee
 - i. All auctions excluding property will attract a success fee of 2% of the gross sales amount of successful ONLINE sales
 - ii. This means that successful sales made through the system will attract the 2% success fee.
 - 1. For timed auction events this will be for the gross amount of the event during or post the auction event conclusion as from when the auction event is published.
 - iii. Reporting of event success
 - 1. Should it be found that the success fees related to an auction event have been deliberately misstated and under-report, SE reserves the right to cancel this Agreement with immediate effect and seek damages from The User.
 - iv. Property auctions
 - 1. The success fees that will apply to property auctions will be as follows per property:
 - R0 – R250 000 R500
 - R250 001 – R500 000 R1 000
 - R500 001 – R750 000 R2 000
 - R750 001 – R1 000 000 R5 000
 - R1 000 0001 – R2 000 000 R7 500
 - R2 000 0001 – R3 000 000 R10 000
 - R3 000 0001 – R4 000 000 R12 500
 - R4 000 001 and above R15 000

12. Payment

- a. Payment of all applicable charges is to be made upon presentation of the invoice from SE to The User.
- b. Management fee and event fee will be required prior to auction start

- c. SE commission will be invoiced 14 days after auction close as per the agreed sold list provided by The User, as stipulated in clause 8.

13. Additional Support

- a. The following additional support services are available to The User subject to availability and written confirmation between The User and SE:
 - i. Cataloging
 - 1. A staff member can assist in cataloging (taking pictures and descriptions) and compiling an Excel catalogue for an auction event at a daily rate of R3 000 per day.
 - ii. Marketing
 - 1. SE is able to assist in a wide range of marketing services to promote The Users auction event. These include:
 - Direct emails to subscribers and website listing on www.theauctioneer.co.za
 - Campaign planning and management
 - Media planning and buying for digital and print
 - Design services
 - Creation and design of websites

14. No Representations and Warranties

- a. SE makes no undertaking representation or warranties whatsoever in connection with the online auction system, services or any lots.
- b. SE does not warrant that the online auction system is free from infection by viruses or anything else that has contaminating or destructive properties. The User accepts that SE does not accept responsibility to protect The Users system from such viruses or other contamination or destruction.
- c. The User is solely responsible for any representation or warranty ("Representation") made in respect of a lot, such as but not limited to:
 - i. representation as to quality of lots;
 - ii. representation as to fitness for purpose of lots;
 - iii. representation as to truth or accuracy of statements made;
 - iv. representation as to authenticity or provenance in respect of lots;
 - v. representation as to legality of lots;
 - vi. representation as to title of lots;
 - vii. representation as to the ability of any party to the contract to complete the transaction.

15. Liability

- a. The User accepts that access to the online auction system may be withdrawn by SE at any time should the terms of the Agreement be breached by The User. The online auction system may be interrupted and provision of the online auction system is by no means guaranteed.
- b. Under no circumstances are SE liable for the acts or omissions of the bidders with whom The User contracts or with whom SE links or provides communication with The User, or the acts of the third party payment processor.
- c. The User agrees to pursue any dispute, claim, action or right against any bidder independently and without recourse to SE.
- d. The User may take a specified amount(s) as a deposit in respect of a lot directly from a bidder when the bidder registers for an auction ("Deposit"). The User is solely responsible for all Deposits and if, for whatever reason, a bidder is entitled to the return of any Deposit payment made by it to The User, The User acknowledges and agrees that it will be solely responsible for the return of such Deposit to the bidder.
- e. Nothing in the Agreement shall exclude or limit SE liability for death or personal injury caused by its negligence or for its fraud.

16. Confidentiality

- a. The User will keep confidential any information received from SE or its affiliates and subcontractors in connection with the online auction system and will not use the information other than as necessary to access and use the online auction system as expressly contemplated by the Agreement.
- b. This restriction shall not apply to the extent the information (a) enters the public domain through no fault of The User; or (b) is required by law to be disclosed.

17. Force Majeure

- a. In no event shall SE be liable for any delays or failures attributable to any cause beyond its reasonable control. Failures of telecommunications networks, the Internet, and/or its subcontractor's IT systems shall without limitation be deemed to be events beyond SE's reasonable control.

18. Third Party Rights

- a. These terms and conditions are only intended for the benefit of the parties and SE's affiliates and subcontractors. No other persons have any rights under or in connection with these terms and conditions and the consent of no other persons other than SE and The User is required to amend these terms and conditions.

19. Bidding

- a. All bidding during the auction event must comply with the requirements of the Consumer Protection Act and any other governing law relating to the auction or stock on auction. No ghost bidding may be entered into through use of the online auction services. Failure to comply with these terms may lead to immediate cancellation of the agreement.

20. Non-Solicitation

- a. During the term of this Agreement and for a period of 6 (six) months after any termination of this Agreement, The User will not directly or indirectly solicit any staff in employment of SE without offering a minimum compensation equivalent to the gross cost of employment to SE of that staff member for the preceding 12 (twelve) months from the date of solicitation.

SIGNED at _____ on the _____ day of _____ 202__

Name: _____

Company: _____

Designation: _____

Duly authorised.

SIGNED at _____ on the _____ day of _____ 202__

Name: _____

Company: Side Effects Design and Innovation (Pty) Ltd

Designation: Director

Duly authorised.