



## TERMS AND CONDITIONS OF SALE FOR SHARE AUCTIONS

### 1 GLOSSARY

In these conditions a number of words and expressions have a special meaning. Where one of these words or expressions is used it is printed in bold italics and its special meaning is given below:

***auctioneers*** – means the person conducting the sale and the person by whom that person is employed or on whose behalf that person is conducting the sale

***purchaser*** – means, in relation to any lot, the person whose bid for that lot has been accepted by the ***auctioneers***

***vendor***- includes the owner and any other person, other than the ***auctioneers***, who offers shares for sale and the personal representatives of any such person

***warranty of title*** – means the terms implied by section 12 of the Sale of Goods Act 1979 as to the vendor's right to sell, quiet possession and freedom from encumbrances

### 2. PRINCIPLES OF INTERPRETATION

2.1 In these conditions:

- (a) words signifying the masculine include the feminine and vice versa;
- (b) words signifying the singular include the plural and vice versa;
- (c) references to a person include a corporation;
- (d) references to a Condition or Part are to a condition or part of a condition, or to these conditions;
- (e) the descriptive headings to Conditions and Parts are for convenience only and shall be ignored when interpreting these Conditions; and
- (f) the words and phrases 'other', 'include', 'including' and 'in particular' shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible.

### 3 TIME LIMITS

3.1 Time shall be of the essence of all Conditions which contain time limits. Where the time limited for any person to anything expires on a Sunday, bank or other public holiday, or on the day next following any such day, then such Sunday or bank or other public holiday shall be excluded from the computation of the time.

3.2 In the computation of any period of time before or after the sale or any other event, the day of the sale or other event, as the case may be, shall be excluded.

3.3 Any period of time expressed as a number of days shall be taken to refer to that number of clear days, and similarly for any other period of time.

### 4 SERVING OF NOTICES

4.1 Notice given under these conditions shall be in writing, sent for the attention of the person and shall be delivered personally, sent by fax or sent by pre-paid, first class post or recorded delivery. A notice is deemed to have been received, if delivered personally, at the time of delivery, in the case of fax, at the time of transmission, in the case of pre-paid first class post or recorded delivery, 48 hours from the date of posting and, if deemed receipt under this paragraph is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is a business day), at 9.00 am on the first business day following delivery. To prove service, it is sufficient to prove that the notice was transmitted by fax, to the fax number of the party or, in the case of post, that the envelope containing the notice was properly addressed and posted.

### 5 LIABILITY OF THE AUCTIONEERS

5.1 The **auctioneers** act in all respects only as agents for the **vendor**. Neither the **auctioneer** nor their servants shall be liable to the **purchaser** in any respect for any error of description or for any announcement or statement concerning any lot offered for sale whether made orally or in writing and whether given before, during or after the auction, nor shall they incur any liability in relation to any dispute between any **vendor** and **purchaser**.

5.2 The **auctioneers** shall not be liable in any way for any accident which happens to any person while on the sale premises, unless it arises out of the **auctioneers'** or their servants' negligence.

### 6 CONDITIONS BINDING ON VENDOR, BIDDER AND PURCHASER

6.1 Every **vendor**, bidder and **purchaser** shall be deemed to have full knowledge of these Conditions and by taking part in the sale agrees to be bound by them.

## 7 ADVERTISEMENTS

7.1 If shares are specifically advertised for sale by the **auctioneers** and the person selling those shares withdraws the shares from sale either during, after or up to 7 calendar days before the scheduled auction, the **auctioneers** may charge him a fair and reasonable proportion of the expenses incurred.

## 8 EXCLUSION OF SALE

8.1 The **auctioneers** may in their absolute discretion refuse to offer for sale shares offered for sale by shareholders.

## 9 RESERVE PRICES, ORDER OF SALE AND BIDDING

9.1 The **auctioneers** reserve on behalf of themselves and the **vendor** the following rights:

- (a) to fix a reserve price;
- (b) to bid on behalf of the **vendor** up to the value of the reserve price;
- (c) to re-arrange, consolidate or withdraw any lots or to vary the order of the sale; and
- (d) without giving any reason, to refuse to accept the bids of any person.

9.2 A **vendor** who wishes to fix a reserve price on any lot owned by him shall so notify the auctioneers in writing 7 days before the share auction, failing which the shares will not be included in the auction.

9.3 The **auctioneers** may refuse to accept bids from a **vendor** for shares owned by him and a **vendor** shall not bid for shares owned by him by any agent other than the **auctioneers**.

9.4 No person may advance on the previous bid less than the sum named from time to time by the **auctioneers**.

9.5 No bid may be retracted.

9.6 The person making the highest accepted bid shall be the **purchaser**.

9.7 If a lot offered for sale fails to reach the reserve price placed on it, the lot will be withdrawn from the sale

9.8 If a lot of shares is withdrawn from the sale because it fails to reach the reserve price placed on it by the **vendor**, the lot may not (without PFK's permission, the granting of which shall be determined solely by PFK) be offered for sale again at auction until the auction scheduled by PFK after the next scheduled auction.

9.9 If a dispute arises as to any bidding, then, at the discretion of the **auctioneers**, either:

- (a) the relevant lot shall immediately be put up again; or
- (b) the **auctioneers** shall determine the dispute, and their decision shall be final and binding on all parties.

## 10 TELEPHONE BIDDERS

10.1 Bidders who authorise the **auctioneers** to bid on their behalf, recognise that they will be the fully bound **purchaser** of the shares and must complete this transaction within the time specified in these Conditions.

10.2 A member of staff will attempt to contact the bidder by telephone prior to the lot concerned being offered for sale. If contact is made then the bidder may compete in the bidding through the **auctioneer's** staff. The **auctioneer** will not be held responsible for instructions or authorisations given to them which are unclear or incomplete and these bids will not be accepted. If it is not possible to obtain telephone contact or the link breaks down the bidding process ceases.

## 11 TERMS OF BUSINESS

11.1 The auctioneers shall ensure that their trading terms are clearly communicated to **vendors** and they include:

- (a) an obligation on the **auctioneers** to pay to the **vendor** within an agreed time the proceeds (less agreed administration charges) for shares sold; and
- (b) full details of the administration charges

## 12 LIABILITY OF VENDORS AND PURCHASERS FOR DOCUMENTATION

12.1 The **vendor** shall be responsible for delivering to the **auctioneers** all relevant share certificates or letters of indemnity.

## 13 SALE FOR A DISCLOSED PRINCIPAL

13.1 The **auctioneers** shall for all purposes be deemed to sell as agents for a disclosed principal.

## 14 WARRANTY OF TITLE

14.1 All shares are accepted for sale by the **auctioneers** on condition that the **vendor** warrants his right to sell the same. The **vendor** shall indemnify the **auctioneers** and the **purchaser** against all actions, proceedings, claims, demands, costs, charges and expenses which they may sustain or incur by reason of any defect in the **vendor's** title.

## 15 BIDS BY AGENTS

15.1 Any person intending to bid for any lot as an agent shall so inform the **auctioneers** before the sale begins and shall, if required by the **auctioneers** disclose the name and address of his principal.

15.2 Subject to condition 15.3, in all cases where a person whose bid is accepted is in fact acting as an agent, whether or not he has disclosed that fact, he and his principal shall be deemed to be and shall remain jointly and severally liable on the contract and:

(a) any steps or proceedings authorised by these Conditions or the general law may be taken or commenced against either or both of them; and

(b) no steps taken or proceedings commenced against the principal or the agent shall be deemed to operate as an election discharging the other from liability unless such steps or proceedings result in a final satisfied judgement

15.3 Condition 15.2 shall not apply if before the commencement of the sale the person acting as an agent informs the **auctioneers** that he intends to contract as a principal, in which case he will be deemed to be solely liable on the contract.

## 16 ELIGIBILITY TO BID

16.1 Only bidders who are existing shareholders of Penrith Farmers' & Kidd's plc or who, in PFK plc's opinion, meet the conditions required to regard the potential bidder as a "restricted investor" (see Appropriateness Assessment Questionnaire attached) are eligible to bid for the shares. All potential bidders must fulfil this condition in order to be eligible to bid. Any bids made by a bidder who has not fulfilled this condition will be discounted. Only persons who are existing shareholders or who in PFK plc's opinion, in its absolute discretion, meet conditions for the relevant auction may bid.

## 17 NAME OF PURCHASER: PAYMENT OF PURCHASE MONEY: TRANSFER OF TITLE

17.1 The **purchaser** shall give his name and address to the **auctioneers** when required.

17.2 The **purchaser** shall pay the purchase money for each lot to the **auctioneers** as soon after the fall of the hammer as the **auctioneers** may require. Any time allowed for payment in respect of any purchase shall not be construed as a waiver of the right to require earlier payment on any subsequent purchase.

17.3 The **purchaser** shall not make any set-off or other pleas for non-payment of the purchase money and shall be liable to the **auctioneers** for any unpaid purchase money whether or not the share certificate has been issued.

16.4 If the **purchaser** fails to pay for any lot when required by the **auctioneers**, the **auctioneers** may by notice in writing to the **purchaser**, rescind the contract of sale to him whereupon the lot shall be deemed to be resold to and become the property of the **auctioneers** who shall be responsible to the **vendor** for the amount for which the lot was sold to the **purchaser** less the applicable charges.

## 18 DEFAULT

18.1 If the purchaser fails to perform any of the obligations under these Conditions the **auctioneers** may cause the lot in respect of which the failure is made to be resold without notice to the **purchaser**.

18.2 If, on such resale a lower price is obtained for the lot than was obtained on the first sale, the **purchaser** shall be liable to the **auctioneers** for the difference in price together with any associated sale costs and expenses.

## 19 MONEY LAUNDERING

19.1 The **auctioneers** are under stringent requirements to identify clients for the purposes of the anti-money laundering legislation. As required by the Office of Fair Trading and governed by the Proceeds of Crime Act 2002, Terrorism Act 2000 and Money Laundering Regulations 2007 the **auctioneers** must request from new shareholders one item of the following for visual assessment; passport, photocard driving licence, national identity card or in Northern Ireland identity card issued by the Electoral Office, and for proof of residence, a copy of a utility bill, bank statement or mortgage statement from a recognised lender. If satisfactory evidence of the identity is not provided within a reasonable time, the transfer of shares will not proceed.