



CHRISTENSEN'S FLOWER AUCTION

AUSTRALIAN AUCTION GROUP PTY LTD
ACN 077 396 411 ABN 71 077 396 411

PO BOX 131, ROCKLEA, QLD 4106
PH: 07-3278 0000
FAX: 07-3278 2211

Auction Fresh, Auction Prices
www.flowerauction.com.au

Hello!

Thank you for your interest in the flower auction. Attached is some information about us and a buyer's registration form, should you wish to register.

Over 100 growers send their product to us every week, with product arriving 'Auction Fresh' every weekday. There are 3 ways to buy through the auction:

1) **Come and Bid**

If you are local you can attend the auction each weekday (except Tuesdays). Inspection from 5.30 am with the auction commencing at 5.40 am. It is free to register and there is no buyers' premium.

2) **Buy via the Net**

You can actively take part in the auction buying through your computer/internet. It is all in 'real time' and you actively compete against the buyers here in Brisbane and others bidding on line. This is currently available as a free buying tool.

3) **Fax or Call an Order**

You can get trade sales agent to purchase on your behalf if you can't make it or haven't got time to sit through the auction. They will buy, pack and arrange delivery for you. There is a buying fee for this service.

Being an auction we are governed by strict laws and government regulations and as such all product MUST be paid for on the day of purchase and before leaving the auction premises. It is important that all the details on the registration form are completed to ensure a smooth registration and payment process. By entering the auction, buyers agree to adhere to the buyer terms and conditions (on view on the walls at the auction).

We are here to help. Please feel free to contact us for assistance. Our Customer Service Representative is Paul Magarry. He's happy to take your call on 3278 0000 or 0416 100 313 to answer any questions you have. All new buyers are taken through an orientation session on their first visit to the auction by Paul.

The flower auction operates during the early hours of the day. We are available via telephone and email between 4.30 am and 3pm. If you have enquiries after this time please either fax or email us (buyers@flowerauction.com.au) and we will respond to you the next business day.

Once you have completed and signed the attached registration form & buyers terms and conditions form (and credit card authorisation form and personal guarantee where applicable) **please fax them to 07 3278 2211**. You will need to mail the originals in to us also.

Welcome to Christensen Flower Auction. We value your feedback and appreciate any comments or suggestions you may have.

Regards

Nick Christensen
Manager Operations

FLOWER AUCTION BUYERS' INFORMATION KIT

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Membership benefits

Flower Auction membership is free!

- Free access to sales reports, which can be downloaded and imported into your accounting or stock management software.
- Free access to your bidding reports.
- Free access to statistical data, such as product availability and prices, so you can better plan your purchasing.
- Free use of remote bidding software.

INFORMATION FOR BUYERS

Who can buy from the auction?

Anybody who is involved in the flower trade, holds an ABN number and who *'on-sells'* the product, may buy from the auction, once they have completed and signed the Buyer Registration Form and Buyer Terms and Conditions, and have been registered as a Buyer. Florists, wholesalers and registered trade members are all welcome.

How do I register?

You will need to fill out and sign the attached Buyer Registration Form and Buyer Terms and Conditions (and credit card authorisation form and personal guarantee where applicable), and return it to us by fax or mail.

Fax number (07) 3278 2211

Postal address PO Box 131, Brisbane Markets, QLD 4106

Once your application has been processed you will be allocated and advised of your Buyer Number and password. This will enable you to buy at the auction or to bid on-line.

Christensen Flower Auction reserves the right to accept or reject any registration application. Registration applications will not be processed until *all* the relevant documents have been signed and returned.

How is GST handled?

The auction clock displays the price exclusive of GST. Once you have completed your purchasing, the GST is calculated on the total invoiced value of the GST applicable products and added to your invoice as a separate item.

How do I bid?

You need to understand how the Dutch auction system works. The system has been successfully used in Holland for the past 100 years, and is an excellent way for growers or suppliers to maximise their daily prices and equally so for the buyers to minimize their purchase price depending on demand and supply requirements.

The auction of an item is commenced by the item being offered for sale by the auctioneer to a group of potential buyers.

The auctioneer sets the starting price, informs the buyers of the quantity of the item on offer, the minimum buy e.g. 1 lot, 5 lots etc and then starts the auction clock. The auction clock then proceeds to decrease the price at a pre-determined rate (as the value of the item increases) until either a bidder stops the clock or the reserve price is reached.

A bid is said to have been placed when a bidder stops the clock. The first bidder who stops the clock has the right to purchase as many lots of the product on offer as they wish, but no less than the specified minimum buy.

If there are any remaining lots of the current product on offer the auctioneer then restarts the clock at a higher price than the previous bid and awaits the next bidder.

The next product is then offered by the auctioneer and the process is repeated.

The result of this system is that the first buyer sets the rough market price by bidding. Subsequent buyers often purchase within the range of the first bidder. Quite often the first bidder gets the best price because, as product availability decreases, the risk of missing out increases, and so does the price.

Can I reserve or withdraw a bid?

Normally no, you can't. If you place a bid and your bid is accepted by the auctioneer, you are obliged to complete the transaction. But the auctioneer has the power to determine otherwise in exceptional circumstances, such as if a system fault occurs.

What costs are involved?

There are no additional costs to a buyer who attends the auction at our Rocklea premises, unless the Auctioneer announces that a particular lot has a buyer's premium imposed.

Any purchases paid by credit card will have an additional service charge of 2.75% added to cover credit card & administration fees. Please note that American Express and Diners Club cards are not accepted.

Packaging, delivery and agent fees (if used) are independent of the auction house and charges do apply. For more information, call us on (07) 3278 0000.

How do I pay for my successful bids?

After completing your purchases for the day, payments must be made at the office by 11 am or via a credit card authority held at the office. Only cash, credit cards or debit cards are accepted.

Please note that we do not accept cheques, American Express or Diners Club cards. As all monies collected are held *in trust* for our growers, we are bound by trust account regulations. Accordingly, **no credit is available**.

Products will not be released until full payment has been received. Product must be paid for by 11 am on the day of the auction.

A \$20.00 **per day** administration fee will be charged to any account that remains unpaid at 11 am (after close of day processes).

Credit and debit card authority

If you are a remote buyer or have an agent buying for you, you will need to pay for your flower purchases via card. We require your details to be held on file to facilitate payment of your daily purchases. You will need to read and complete the attached credit and debit authority form and return it to us. Registrations will not be processed without this authorisation.

Can I get information for accounting purposes?

Yes, you can securely access the website and download information specifically relating to your purchases at any time. Market trend data is also available to help with your purchasing decisions.

How do I obtain my products?

You may, after payment, collect your products which will have been placed on a trolley assigned to you. It will be your responsibility to ensure your order is complete *before* leaving the auction. Any "extra" product on your trolley, that you have not purchased, has been put there in error, and belongs to someone else – please return it to the floor staff.

All orders must be paid for by 11 am. If you have problems picking up your products, we can provide you with contact details of a suitable courier, however it will be *your* responsibility to arrange for collection of your product and payment of your courier. Products left at the end of the day will be placed in the cool room.

What if a product is faulty or not up to the standard displayed at the auction?

Every effort is made to ensure that the displayed product is a genuine indicator of the whole product on offer. You generally must assure yourself that the product you are bidding for is what you require and that you are satisfied with the quality. If however, you discover a fault when the product is collected, you should report it immediately to one of our staff, before leaving the auction premises.

If a credit is required you will need to complete a red credit form, have it signed off by the senior floor staff member or the auctioneer and place the form and the product on the credit table near the office.

Credits

As a rule, credits will not be issued once the flowers have left our premises. In certain circumstances however, the issuing of a credit *may* be considered (requires auctioneer's approval). However all claims must be made, and the product returned to us, within 24 hours. For those buyers outside of Brisbane, all claims **must** be made, and photographic evidence provided, to substantiate your claim, within 24 hours of purchase.

Should a credit be granted, we must make the credit transaction separate to your purchase (as per Trust Account rules) and it will be credited off your invoice when you next purchase – you cannot withhold payment of the original invoice awaiting a credit.

What if I cannot attend the floor auction?

You can join the auction as a remote bidder using our Remote Bidding System. See the Auction information page later in this brochure. The remote bidding software is available for download from our website. You will need to be registered and get a user password issued to use this facility.

It is recommended that you run the software in practice mode to get a good feel of how it works before connecting to a live auction.

How do I get started?

The best idea is:

- a)** to attend an Auction orientation with our Customer Service Representative.
Call Paul on 3278 0000 or 0416 100 313 to arrange a day that suits or to discuss any questions you have.
- b)** if you do not feel confident buying yourself, the auction's trade sales agent or independent Auction Agents are available to buy on your behalf. Agents work on a 12.5% commission of your total sales.

They can buy, pack and ship your product to you (packing and freight charges apply). To have an agent buy for you, call us to get the contact details of our flower agents.

Once registered, simply fax in an order with "Agent to Buy" or the name of your chosen agent written on the top page the night before the auction or by 4.30 am the morning of the auction.

AUCTION INFORMATION

Christensen Flower Auction currently conducts one auction daily, a floor-and-remote auction commencing at 5.40 am sharp, Monday, Wednesday, Thursday & Friday. This auction is conducted at our premises located at the Brisbane Markets, Rocklea, Brisbane in Queensland, Australia. Product offered in the auction is available for inspection from 5.30 am each day.

Buyers can participate in the auction from their home or shop using the remote bidding system, use the services of the auctions trade sales agent or an independent auction agent, or can attend in person on the auction floor.

Remote bidding is free – that is, apart from charges your local internet service provider (ISP) may impose, there is no cost to you in making bids from home or shop via your ISP, and you save time too.

You can bid live - in real time – against other buyers who may be at the auction in person or connected to the flower auction via their ISP. Samples of the product are available on the website from 5.30 am, with the auction commencing promptly at 5.40 am.

Download a list of your successful bids at the end of the auction, or immediately after you have completed buying, and pay in person at our Rocklea premises before the 11am deadline. A credit card authority form can be used for those who are unable to come in personally to pay.

Buyers interested in bidding remotely from their shop or home, please see the National Remote Auction section below for hardware requirements.

National Remote Auction

The national remote auction allows bidders to participate in an auction utilising a simple home personal computer and an ADSL or cable connection from anywhere in the world.

This auction allows you to participate live, in real time, in the flower auction conducted at our Rocklea premises, and compete with those attending in person for a vast offering of flower products.

Hardware and software requirements:

- A personal computer utilising one of the following operating systems: Windows 98, Windows NT 4.0, Windows 2000, Windows XP
- A modem operating at least 33.6 Kbps
- A standard telephone connection
- The remote bidding software (Remote Bidder), which is provided to you, via download, following your registration.

Auction Timetable

Auctions	Days	Start
Floor and remote auction	Mon, Wed, Thurs & Friday	5.40 a.m. promptly

To participate in the auctions you will need to register with Christensen Flower Auction as a buyer. Either email buyer@flowerauction.com.au, call us for more information on (07) 3278 0000 or register on line at www.flowerauction.com.au. A buyer number and password will be allocated to you once your registration has been processed.



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BUYER APPLICATION

PLEASE PRINT CLEARLY

BUYER Number

Office Use Only

Date

Type of Business Florist Wholesaler Exporter

 Other (please state)

Business Company Trust Sole Trader Partnership

Business / Trust Name

Trading Name **ABN**.....

Business Address

..... State Postcode

Postal Address

(if different from Business Address)

..... State Postcode

Contact Name for Business Position

Phone

Fax

Mobile

A/H Phone

Email

Preferred Password

(Case sensitive. Password needed to access on line purchasing, buyer's reporting, updates etc)

If buying remotely, which courier company will you arrange to collect your product?

..... (we will send with this courier unless you advise us differently in writing)

Contact name

Contact number

Registered Office

Business Owner/s:

1 (Full Name)

Tick one Director Sole Proprietor Partner

Home Address

State Postcode Drivers License Number DOB

2 (Full Name)

Tick one Director Sole Proprietor Partner

Home Address

State Postcode Drivers License Number DOB

3 (Full Name)

Tick one Director Sole Proprietor Partner

Home Address

State Postcode Drivers License Number DOB

Have any the proprietors/directors ever been declared bankrupt? Yes No

If yes, give name and date of discharge

BUYER'S TERMS AND CONDITIONS

1. Christensen Flower Auction is a cash trading entity established to ensure buyers get the best quality products at the right price, while ensuring that growers receive the fastest possible return for their products.
2. Payments must therefore be made by cash or credit/debit card by 11 am on the day of the auction.
3. All flowers purchased must be paid for prior to collection (by 11 am) and collected no later than 3 pm on the day of the auction. Present your receipted invoice to the office and your purchases will be made available for collection.
4. If the buyer fails to pay for any lots purchased at the auction by 11 am on the day of the auction, they will be resubmitted for sale on the next auction day. If on resale of

such lots the selling price is less than the bid of the original buyer, the original buyer shall be bound to pay the shortfall.

5. In order to maintain strict security for your purchases until collection, buyers are not permitted to enter the restricted areas. No delivery/collection is allowed without an authorised member of staff being present.
6. All flowers sold at auction are available for inspection prior to the auction. Accordingly, it is the buyer's responsibility to check the description, quality and quantity prior to making a bid. No allowance or refund will be made nor may a buyer reject a lot because of any wrong description, shortfall in quantity, error, fault or difference whatsoever. It is also the buyers' responsibility to check that the quantity of flowers purchased is equal to the quantity collected/received before leaving the auction premises. Products not purchased, but placed in error on your trolley, must not be taken.
7. The flowers are deemed to have been sold on the acceptance of the buyer's bid evidenced by the auctioneer or clerk recording the buyer's number.
8. Pending collection by the buyer or his/her agent, flowers are stored at the buyer's sole risk. Neither Christensen Flower Auction, nor the auctioneer, accept any responsibility for any shortfall, loss or damage however caused.
9. The highest approved and acknowledged buyer's bid will be accepted by the auctioneer, subject to any reserve.
10. No bid shall be withdrawn.
11. The auctioneer may demand payment, by cash, credit/debit card or bank cheque for the full purchase price of any lot sold at the auction immediately upon acceptance of the bid, and may resubmit the lot for sale should the payment not be made immediately. If on resale of such lots the selling price is less than the bid of the original buyer, the original buyer shall be bound to pay the shortfall.
12. No trimming or packing of products will be permitted in the collection area.
13. Buyers shall not sample, interfere with, top up or alter any lot in any way, nor shall they remove or change any lot numbers on any flower lot/s during or prior to the auction.
14. The auctioneer shall determine any dispute absolutely at his/her discretion and that discretion shall be final and binding.
15. The term *auctioneer* shall include Christensen Flower Auction, the person/s actually conducting the auction and any other staff, where the context permits.
16. Only auction staff may handle flowers at the distribution point. No buyers may select individual flowers or handle them until after distribution.
17. Out of auction sales may only be made either a) via a "missed it sheet" and can only be done *prior* to the lot being processed through distribution, or b) through an independent flower broker (available on the floor after the auction, fees apply).
18. If any buyer stops the auction clock, then they will automatically be allocated the minimum buy quantity of the item on offer, and be deemed to have made a successful bid for that quantity on the auctioneer recording that buyer's number.
19. Buyers are expected to return all buckets to the auction immediately. Any buckets removed from the auction premises will be deemed to have been purchased.
20. All buyers must be over 18 years of age.

- 21. The directors and majority shareholders of Buyers operating through a company or trust shall execute a personal guarantee in the form attached to these Terms and Conditions before being permitted to bid at an auction whether personally or via the National Remote Bidding System available through the website www.flowerauction.com.au.
- 22. Christensen Flower Auction reserves the right to alter these terms and conditions at any time with appropriate notice to buyers.

I/we agree to the Buyer's Terms and Conditions set out above

Authorised Signatory/ies of BUYER	Date
(Print Name/s in full)	Signature/s
.....
.....
.....

Where Buyer is a Partnership, *all* partners must sign.

Where Buyer is a Company, *all* Directors must sign.

PERSONAL GUARANTEE BY COMPANY DIRECTOR/ MAJOR SHAREHOLDER/S

(Must be completed where the Buyer is a company or trust)

BUYER'S NAME (“Buyer”)

BUYER'S NUMBER (if known)

IN CONSIDERATION of CHRISTENSEN FLOWER AUCTION agreeing to grant credit to the Buyer from time to time for the purchase of flowers, foliage and/or floral products and accessories, and upon the Buyer agreeing to pay on demand all monies owed and due by it from time to time to CHRISTENSEN FLOWER AUCTION.

I/we the undersigned Director/s/ Shareholder/s (“the Guarantor/s”) HEREBY GUARANTEE (jointly and severally where there is more than one Guarantor) the due performance by the Buyer of the whole of its obligations under any trade contract/s, agreement/s and or trade arrangement/s entered into between the Buyer and CHRISTENSEN FLOWER AUCTION, including the payment on demand of all monies owed and due by the Buyer to CHRISTENSEN FLOWER AUCTION from time to time, and AGREE TO INDEMNIFY CHRISTENSEN FLOWER AUCTION against all losses it sustains because of dealings it has with the Buyer, including for all legal costs, interest and recovery costs (as permitted by law) and AGREE that this Guarantee shall be continuing, unconditional and is enforceable immediately on demand upon default by the Buyer in discharging all or some of its abovementioned obligations or in paying all or some of the monies owed from time to time.

AND FURTHER AGREE that CHRISTENSEN FLOWER AUCTION may use any Personal Credit Information which I/we may have supplied, according to law (including the provisions of the Privacy Act 1988 and any applicable State or Territory laws).

Signature Director / Shareholder

Print name in full

Signature Director / Shareholder

Print name in full

Signature Director / Shareholder

Print name in full

