

Kotlyar's Auction

Manual for Auction Participants

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Israel

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Classic Auction

1. General Provisions

1.1. Classic ascending-price auction (hereinafter referred to as “CA”) is a bidding procedure, in which none of the conditions specified in the auction terms and conditions are subject to negotiation or change by bidders, except for the price.

1.2. CA is carried out with pre-selection of applicants. The requirements to the Seller in terms of the content of auction documents may be accessed by any website visitor.

1.3. Application for participation in the auction (application and accompanied documents) shall be submitted by applicants online, as per the list and within the deadlines specified herein.

1.4. To put up goods or property for the Classic Auction, the seller must register himself (herself) in the system, select the appropriate section and filter for his (her) lot and create an auction card using a free placement package with a limit of 1 (one) lot, or in case of placing big number of lots - after purchasing fee-based placement packages.

1.5. To place an auction lot on the website, the website administration shall approve the lot, and thereafter the seller, within 3 (three) days following the administrator’s approval, must pay a non-refundable fee for publishing of each individual lot in accordance with clauses 2.7 and 2.8.

1.6. Administration may block a lot or an author of the auction without giving any reasons.

1.7. In Classic Auction the seller appoints a commencement date of the auction.

1.8. The seller must comply with the website requirements to the time-frames for preparation and holding of the Classic Auction:

- Classic Auction may not start earlier than 7 days after the first placement of the lot.
- Classic Auction may not start later than 30 days after the first placement of the lot.
- The duration of the auction for each lot is 30 calendar days from the commencement of bidding.

1.9. To participate in the Classic Auction, **buyers** must register themselves on the web portal kotlyars.com, fill out the user's details and obtain approval from the administrator.

1.10. Upon registration, the buyer can choose the lot of interest and participate in the bidding after paying a non-refundable fee for the participation as per the terms of Clause 3.4.

1.11. In accordance with the confidentiality terms, all details of buyers-participants are visible during the auction only to the website administrator.

1.12. All buyers who paid a fee for participation in a particular auction lot can see all the details of a seller’s.

1.13. Administration may block a user-buyer at any stage of the auction without giving any reasons.

1.14. At the time of completion of the auction, the name and all other details of the winner, who offered the highest price per lot, are saved in the system and reported to the personal area and e-mail of the seller.

1.15. The owners of the trading platform and the administration shall not be responsible for the adequacy of details of buyers and sellers, as well as for the progress of the transaction, further negotiations or relations between the seller and the buyer.

2. Adding Lots in the Classic Auction

2.1. To add a lot in the Classic Auction, a user must be registered in the system and approved by the administrator.

2.2. In the personal area, the user must enter into **My Auctions** section, click the *Add* button and fill in all required fields of the auction having selected *Classic Auction*.

2.3. The goods of the lot added must match the names of the auction sections, and photos must be real.

2.4. The seller in the Classic Auction must clearly enter the product name, starting price, description of the lot, and the list of requirements, and terms and conditions of the transaction and delivery.

2.5. To create a lot the seller must upload all required documents that prove the value of the goods or property, form of ownership, and other documents that will be requested by the administrator prior to the auction.

2.6. The administrator may refuse to hold an auction without giving any reasons to the seller. The administration's actions may be challenged by sellers through sending an e-mail to owner@kotlyars.com

2.7. Upon approval of the lot, **the seller must**, within 72 hours, pay the fee for publishing the lot (participation in auction) at the rate of 0.05% of the starting price of the lot via a secure payment system on www.kotlyars.com website.

2.8. The fee for placement of lots on kotlyars.com website and participation in auctions is non-refundable, regardless of the outcome of the auction or transaction with buyers.

2.9. Website administration has the right to permanently block the seller, where the seller more than 1 (one) time has put up a lot for the auction, obtained approval and not paid the participation fee.

2.10. The seller is notified through his (her) personal area on the website and e-mail of new applications for participation in the auction, he (she) can see the number of buyers, their names and countries, however he does not have an access to personal data of buyers before the end of the auction. Upon completion of the auction, the **buyer** can see the personal data of only the buyer who won the auction.

2.11. In the event of any force majeure circumstances that are not described in these terms and conditions, where it is necessary to return the fee paid for participation in the auction or the wrong payment, management of the kotlyars.com website chooses at its own discretion the return method, and all fees of financial institutions via which the payments are returned shall be borne by the wallet owner.

3. Participation of Buyers in the Classic Auction

3.1. To participate in the Classic Auction as a **buyer**, a user must be registered in the system and approved by the administrator.

3.2. On the website, a registered user can access the *Auctions* section, select lots in subsections and save them to apply documents for participation before the auction starts.

3.3. The user is notified in advance of the commencement of the auctions selected through his (her) personal area on the website and through e-mail.

3.4. The buyer may join the bidding in the Classic Auction at any time up to the closing of the auction.

3.5. To participate in the Classic Auction, the **buyer must** pay a fee for participation in the auction at the rate of **0.002%** of the starting price of the lot.

3.6. After the end of the auction, regardless of its outcome, the fee paid for participation in the auction is non-refundable.

3.7. The bidding winner is a participant who made the last bid increment, that is, offered the highest price for the lot.

4. The Procedure for Classic Auction

4.1. Classic Auction is ascending-price bidding for the lot.

4.2. When creating a lot, the seller sets a starting price of his (her) goods visible to all website visitors.

4.3. When creating a lot, the seller agrees with the bid increment, which stands at 0.5% of the starting price and which is visible to all users.

4.4. Algorithm of the Classic Auction:

- The seller can set a starting price of his (her) goods in the personal area on the website.
- The starting price and bid increment of the lot is visible to all visitors.
- For any goods the system sets a bid increment at the rate of 0.5% of the starting price of the lot.
- A participant who has made the last bid prior to the end of the auction (offered the highest bid) wins in the Classic Auction.
- Where none of the participants offers bid till the auction end, the auction will be closed automatically for all participants.

4.5. The seller cannot change information about the lot, personal data or contact details in the system after approval of the lot by the administrator.

4.6. Buyers cannot change their personal data or contact details in the system after paying a fee for participation in auctions.

Dutch Auction

1. General Provisions

1.1. Dutch descending-price auction (hereinafter referred to as “DA”) is a bidding procedure, in which none of the conditions specified in the auction terms and conditions are subject to negotiation or change by bidders, except for the price.

1.2. CA is carried out with pre-selection of applicants. The requirements to the Seller in terms of the content of auction documents may be accessed by any website visitor.

1.3. Application for participation in the auction (application and accompanied documents) shall be submitted by applicants online, as per the list and within the deadlines specified herein.

1.4. To put up goods or property for the Dutch Auction, the seller must register himself (herself) in the system, select the appropriate section and filter for his (her) lot and create an auction card using a free placement package with a limit of 1 (one) lot, or in case of placing big number of lots - after purchasing fee-based placement packages.

1.5. To place an auction lot on the website, the website administration shall approve the lot, and thereafter the seller, within 3 (three) days following the administrator’s approval, must pay a non-refundable fee for publishing of each individual lot in accordance with clauses 2.7 and 2.8.

1.6. The seller sets the start and end date of the lot within the terms and conditions of auctions of kotlyars.com website.

- Dutch Auction may not start earlier than 7 days after the first placement of the lot.
- Auction may not start later than 30 days after the first placement of the lot.
- The duration of the auction for each lot is 30 calendar days from the commencement of bidding.

1.7. To participate in the Dutch Auction, **buyers** must register themselves on the web portal kotlyars.com, fill out the user's details and obtain approval from the administrator.

1.8. Upon registration, the buyer can choose the lot of interest and participate in the bidding after paying a non-refundable fee for viewing the current price as per the terms of Clause 3.4.

1.9. In accordance with the confidentiality terms, all details of buyers-participants are visible during the auction only to the website administrator.

1.10. All buyers who paid a fee for participation in a particular auction lot can see all the details of a seller’s.

1.11. At the time of completion of the auction, the name and all other details of the auction winner are saved in the system and reported to the personal area and e-mail of the seller.

1.12. At the end of the auction, the winner of the lot receives a notice through his (her) personal area and e-mail.

1.13. Administration may block any user, both seller and buyer at any stage of the auction without giving any reasons.

1.14. The owners of the trading platform and the administration shall not be responsible for the adequacy of details of buyers and sellers, as well as for the progress of the transaction, further negotiations or relations between the seller and the buyer.

2. Adding Lots in the Dutch Auction

2.1. To add a lot in the Dutch Auction, a user must be registered in the system and approved by the administrator.

2.2. In the personal area of the website, the user must enter into **My Auctions** section, click the *Add* button, fill in all required fields of the lot and upload all required documents.

2.3. The goods of the lot added must match the names of the auction sections, and photos must be real.

2.4. The seller in the Dutch Auction must enter the product name, starting price, description, the list of documents required from the buyer, and the list of restrictions and terms and conditions of the transaction and delivery.

2.5. To confirm a lot the seller must upload all required documents that prove the value of the goods or property, form of ownership, and other documents that may be requested by the administrator prior to the auction.

2.6. The administrator may refuse to hold an auction without giving any reasons to the seller. The administration's actions may be challenged by sellers through sending an e-mail to owner@kotlyars.com

2.7. Upon approval of the lot, **the seller must**, within 72 hours, pay the fee for publishing the lot (participation in auction) at the rate of 0.05% of the starting price of the lot via a secure payment system on www.kotlyars.com website.

2.8. The fee for placement of lots on kotlyars.com website and participation in auctions is non-refundable, regardless of the outcome of the auction or transaction with buyers.

2.9. Website administration has the right to permanently block the seller, where the seller more than 1 (one) time has put up a lot for the auction, obtained approval and not paid the participation fee.

2.10. The seller is notified through his (her) personal area on the website and e-mail of new applications for participation in the auction, he (she) can see the number of buyers, their names and countries, however he does not have an access to personal data of buyers before the end of the auction. Upon completion of the auction, the **buyer** can see the personal data of only the buyer who won the auction.

2.11. In the event of any force majeure circumstances that are not described in these terms and conditions, where it is necessary to return the fee paid for participation in the auction or the wrong payment, management of the kotlyars.com website chooses at its own discretion the return method, and all fees of financial institutions via which the payments are returned shall be borne by the wallet owner.

3. Participation as a Buyer

3.1. To participate in the Dutch Auction as a buyer, a user must be registered in the system and approved by the administrator.

3.2. On the website, a registered user can access the *Auctions* section, select lots in subsections and save them prior to the auction commencement or pay the fee for participation in the bidding for a certain lot before the auction starts.

3.3. The user is notified in advance of the commencement of the auctions selected through his (her) personal area on the website and through e-mail.

3.4. To participate in the bidding, the **buyer** must pay a fee for participation in the auction at the rate of **0.002%** of the starting price of the lot.

3.5. The non-refundable amount paid for participation in auctions entitles to 10 views of the closed current price of this auction.

3.6. After each viewing of the closed current price of a particular lot, the buyer has a limited time to apply for purchase of the lot.

3.7. Upon completion of the auction, regardless of its outcome, the remained number of views is to be reset to zero.

4. The Procedure for Dutch Auction

4.1. Dutch Auction with a closed price is descending-price bidding.

4.2. When creating a lot, the seller sets a starting price of his (her) goods visible to all website visitors.

- Administration of the website may request a document that confirms the adequacy of the starting price.
- The seller must ensure the adequate starting price of the goods (approximating the average market price). No one wishes to participate in a fee-based bidding for a lot with an overestimated price.
- Administration of the website has the right to block and remove the goods before the commencement of auction, where it becomes aware that the seller has set a deliberately false (overestimated) price.
- Where the goods are removed from the auction after the seller has paid a fee for placement of the lot, the fee paid is not subject to return.

4.3. When creating a lot, in addition to setting a starting price, the seller also sets the minimum price to sell his (her) goods, and that minimum price is hidden from all users.

4.4. Dutch Auction algorithm is as follows:

- The process of lowering the price of a lot in the Dutch Auction is controlled by the system algorithm, within the criteria set by the seller.
- The seller can set a starting price of his (her) goods and the minimum selling price in the personal area on the website.
- The difference between the starting price of the goods and the minimum selling price may not be less than 15%.
- The starting price is visible to all visitors, while the minimum selling price is visible to no one.
- The seller sets the maximum percentage of bid decrement in his (her) personal area on the website.
- For any of the goods, the seller can set the maximum bid decrement in percents at the rate ranging from 0.01 to 1%.

- This means that the price of the lot will get lower within the set percentage throughout the whole auction, with breaks of indefinite time-period and unevenly over the time.
- The price of the lot will also get lower after each view of the price.
- The buyer who has paid a fee for the participation can view the current price of the lot 10 times for one fee paid.
- Winner of the Dutch Auction is a participant who buys the goods (announces the purchase) at the current viewed price earlier than other participants.
- Where none of the participants announces the purchase of the goods till the auction end, the auction will be closed automatically for all participants.

4.5. The seller cannot change information about the lot, personal data or contact details in the system after approval of the lot by the administrator.

4.6. Buyers cannot change their personal data or contact details in the system after paying a fee for participation in auctions.

Other Terms and Conditions of Auctions

- 1.1. Where sellers in Classic or Dutch Auctions want to put up their goods on the www.kotlyars.com website, however, do not want to disclose their contact details and personal data, they can engage Kotlyar's Auction to provide **Brokerage Services**.
- 1.2. To cooperate with sellers under the terms and conditions of the brokerage services, Kotlyar's Auction must be interested in the goods being sold.
- 1.3. In this case, sellers must provide Kotlyar's Auction with all necessary documents in respect of the goods and the owner, as well as the required guarantees.
- 1.4. Once a contract is concluded, Kotlyar's Auction puts up the goods for Auctions under its official account, accepts applications for participation and negotiates with buyers the details of the transaction.
- 1.5. Brokerage services of Kotlyar's Auction can also be useful for those sellers of exclusive goods and rough diamonds, who do not want to put up their goods for auctions, but are looking for suitable verified buyers.
- 1.6. To obtain detailed information about the procedure for providing brokerage services, please send an e-mail to owner@kotlyars.com and attach photos, descriptions, prices and documents related to the goods to be sold.

Disclaimer

- 1.1. Administration may refuse to hold an auction at any time before the commencement of bidding, without giving any reasons to the participants.
- 1.2. Administration has the right to stop the bidding for the lot during the auction, and to return all bids and bid securities, where there are sound reasons for that. In this case, the administration is obliged to disclose the reason for stopping the bidding.
- 1.3. Administration and management of the trading platform make every possible effort to ensure the constant accessibility of the website for all users, safe and stable data transmission. However, due to the nature of the Internet, and various restrictions in certain countries, there are no guarantees of smoothness of those processes.
- 1.4. Your access to the website's services, including the auction functions, can sometimes be temporarily suspended or restricted due to technical reasons.
- 1.5. Administration or management of the website shall not be liable for lost profits and various losses incurred by buyers or sellers resulted from negligence of users, or any technical reasons, or illegal third party intervention.
- 1.6. Administration shall not be liable for full or partial failure to fulfill its obligations, where such failure resulted from force majeure circumstances, in particular: natural disasters, epidemics, explosions, fires, global problems on the Internet, targeted DDoS attacks on the server of www.kotlyars.com, and other extraordinary circumstances.
- 1.7. The website does not guarantee the authenticity of goods or property put up for auction, as well as the accuracy and currency of the details of sellers and buyers, and cannot reliably protect its users from possible fraud by third parties. The full responsibility for the course of transactions shall be borne by the participants of auctions.