

SUMMARY OF LISTING / SALE PROCESS ON THE OPENN NEGOTIATION APP

The following is a summary of the listing and sale process via the Openn Negotiation App, intended for agents and solicitors.

1. Step 1: Vendor engages Agent to sell property via Openn Negotiation

If a Vendor wants to sell their property on the Openn Negotiation App, the Agent should ensure that Annexure A and Schedule 1 are attached to the Authority, and that the Authority contains the following words (which can be handwritten on the Authority and initialled by both the Agent and the Vendor):

"The Vendor agrees that the auction will be conducted in accordance with the terms of Annexure A (Agreement to use the Openn Negotiation process) and Schedule 1 (Openn Negotiation Terms and Conditions). The Vendor agrees to comply with Annexure A and Schedule 1 and agrees to be bound by such terms".

The details in Annexure A and in the Contract Execution and Exchange Authority will need to be filled out with the Vendor.

The Agent will then need to obtain the Vendor's signature on:

- (a) the Authority;
- (b) Annexure A (with Schedule 1 attached); and
- (c) Contract Execution and Exchange Authority (Vendor).

2. Step 2: Vendor / Agent instructs Vendor's solicitor to prepare Contract of Sale of Real Estate and Section 32 Statement

The Vendor / Agent should then instruct the Vendor's solicitor to prepare the Contract of Sale and the Section 32 Statement.

The Vendor / Agent should instruct the Vendor's solicitor to include the following provisions in the Contract of Sale:

- (a) Next to "Price" in the Particulars of Sale, "See Purchase Price Confirmation (in Schedule 2 of the Openn Negotiation Terms and Conditions;"
- (b) Mark the box to indicate that there are Special Conditions; and
- (c) Include the following as a Special Condition: *"Schedule 1 (Openn Negotiation Terms and Conditions) forms part of this contract. The sale of the property shall be conducted pursuant to the terms of Schedule 1 and both the Vendor and the Purchaser shall be bound by those terms."*

Schedule 1 must be annexed to the Contract of Sale.

3. Step 3: Agent prepares “Purchaser Pack” to provide to prospective purchasers

Once the Agent receives the Contract of Sale and the Section 32 Statement from the Vendor’s solicitor, the Agent can then prepare the “Purchaser Packs” which will need to be provided to each prospective purchaser. The pack must include:

- (d) the Contract of Sale of Real Estate;
- (e) the Section 32 Statement;
- (f) Schedule 1 (Openn Negotiation Terms and Conditions); and
- (g) Execution and Exchange Authority (Purchaser).

4. Step 4: Prospective purchasers apply to become ‘Qualified Bidders’

If a person indicates that they are interested in purchasing the property:

- (a) the Agent should provide the person with a Purchaser Pack (see list of documents in step 3) and with instructions / guidance on how to download the Openn Negotiation App;
- (b) the Agent should inform the person that they have a right to have the documents in the Purchaser Pack reviewed by a solicitor;
- (c) if the person wants to become a “Qualified Bidder”, they will need to:
 - i. register their details in the App;
 - ii. enter a starting bid in the App;
 - iii. submit a signed Contract of Sale of Real Estate to the Agent which contains all terms which they seek to be included in the contract, except for the price (this should be left blank); and
 - iv. submit a signed Execution and Exchange Authority (Purchaser) to the Agent;
- (d) the Agent should then provide all the details / documents received from the prospective purchaser to the Vendor and ask the Vendor to confirm in writing whether s/he wants to approve or reject the person as a “Qualified Bidder.” If the prospective purchaser has requested amendments to the Contract of Sale and/or the Execution and Exchange Authority, the Agent should provide the requested changes to the Vendor’s solicitor (so that the Vendor’s solicitor can advise the Vendor before the Vendor decides whether they will accept or reject the person);
- (e) if the Vendor does not want to approve a person as a “Qualified Bidder” the Agent should contact the person and explain the basis upon which their application was rejected (e.g. settlement period, subject to finance clause, etc);
- (f) if the Vendor wishes to approve the person as a “Qualified Bidder” the Agent should:
 - i. arrange for the Vendor to sign a duplicate copy of the Contract of Sale that has been signed by the prospective purchaser; and
 - ii. approve the person as a Qualified Bidder on the App.

5. Step 5: Purchase of the Property during the Campaign Bidding Stage

During the Campaign Bidding Stage, the Vendor can accept a bid at any time, provided that there is only one “Qualified Bidder” on the App.

If the Vendor has elected to incorporate a “Buy Now Option” any Qualified Bidder can purchase the property at any time by selecting the “Buy Now” button.

If a person purchases the property during the Campaign Bidding Stage, the Agent should:

- (a) insert the purchase price on the Price Confirmation and sign it on behalf of the Vendor and Purchaser;
- (b) insert the purchase price on the Contract of Sale;
- (c) if the Agent does not yet have a signed Contract of Sale from the Vendor or Purchaser, execute the Contract of Sale on their behalf (provided they have been authorised to do so under the Contract Execution and Exchange Authority); and
- (d) complete the exchange of the Contract of Sale.

6. Step 6: Purchase of the Property during the Final Bidding Stage

During the Final Bidding Stage, the purchaser will be the person who bids the highest sum at or in excess of the reserve price.

If a person purchases the property during the Final Bidding Stage, the Auctioneer should:

- (a) insert the purchase price on the Price Confirmation and sign it on behalf of the Vendor and Purchaser;
- (b) insert the purchase price on the Contract of Sale;
- (c) if the Agent does not yet have a signed Contract of Sale from the Vendor or Purchaser, execute the Contract of Sale on their behalf (provided they have been authorised to do so under the Contract Execution and Exchange Authority); and
- (d) complete the exchange of the Contract of Sale.