

**Board Summary**

**Ritchie Bros. Auctioneers (America), Inc.**  
 9500 Glenlyon Parkway, Burnaby, BC Canada, V5J 0C6  
 Randy Berry, Senior Vice President, Digital Operations  
 Warehouse and Distribution Center

Date: May 17, 2018  
 Main Location: Carson City

Business Type: Expansion County: Clark County Development Authority Representative: Perry Ursem - LVGEA

**APPLICATION HIGHLIGHTS**

- Ritchie Bros. Auctioneers (America), Inc. (RBA) is expanding its southern Nevada operations to establish a 169,080 square foot warehouse facility that will be used to manage the storage and distribution of equipment.
- The warehouse will be the central processing center in the region handling storage, logistics, inventory management, auction management, and delivery orders.

**PROFILE**

RBA is the world's largest industrial auctioneer. The company is headquartered in Burnaby, Vancouver, and has 110 locations in 25 countries and 44 auction sites worldwide. RBA has been operating in the State of Nevada since October 29, 1997. The company operates across multiple sectors including transportation, agricultural, material handling, mining, forestry, petroleum, and marine industries. RBA sells, through unreserved public auctions, a broad range of used and unused industrial assets such as equipment, trucks and other assets utilized in the construction. In 1989, RBA became the first industrial auction company to enable remote bidding via video. Video simulcasts were held at trade shows in 1993 and 1995, followed in 1997 by a three-way video conferenced auction that linked separate auction sites and interested buyers could bid at any of the sites. The company launched its website, rbauction.com, at the ConExpo trade show in Las Vegas, Nevada in 1996. The site featured a searchable database that enabled customers to see all of the equipment being sold in upcoming RBA auctions. In March 1999, the company broadcast an auction over the Internet for the first time. In March 2002, RBA introduced its real-time Internet bidding service, rbauctionBid-Live. On September 22, 2008, the company launched a comprehensive online resource tool for the construction, mining, transportation, agricultural and forestry industries at MINExpo International in Las Vegas. *Source: Ritchie Bros. Auctioneers (America), Inc.*

**SIGNIFICANCE OF ABATEMENTS IN THE COMPANY'S DECISION TO RELOCATE/EXPAND**

As RBA researched potential sites on the west coast, the State of Nevada was an attractive location for several reasons. Nevada is a critical logistics hub supporting the western United States and Nevada has a strong infrastructure with quality human capital resources. As the company are already operating in the State, the additional possibility of tax incentives was a significant factor in this decision. *Source: Ritchie Bros. Auctioneers (America), Inc.*

| REQUIREMENTS               | Statutory | Application | Sufficient            | % Over / Under |
|----------------------------|-----------|-------------|-----------------------|----------------|
| Job Creation               | 25        | 25          |                       | 0%             |
| Average Wage               | \$21.95   | \$22.94     | Company meets         | 5%             |
| Equipment Capex (SU & MBT) | \$33,835  | \$3,000,000 | abatement eligibility | 8766%          |
| Equipment Capex (PP)       | \$33,835  | \$3,000,000 | requirements          | 8766%          |

| INCENTIVES                  | Requested Terms  | Estimated \$ Amount |
|-----------------------------|------------------|---------------------|
| Sales Tax Abmt.             | 2% for 2 years   | \$187,500           |
| Modified Business Tax Abmt. | 50% for 4 years  | \$32,556            |
| Personal Property Tax Abmt. | 50% for 10 years | \$57,334            |
| <b>Total</b>                |                  | <b>\$277,390</b>    |

**NEVADA BUSINESS LICENSE**

- Current
- Pending
- Will comply before receiving incentives

| JOB CREATION | Contracted | 24-Month Projection | 5-Year Projection |
|--------------|------------|---------------------|-------------------|
|              | 25         | 25                  | 55                |

| OTHER CAPITAL INVESTMENT | Land | Building Purchase | BTS / Building Improvements |
|--------------------------|------|-------------------|-----------------------------|
|                          | \$0  | \$0               | \$0                         |

| ECONOMIC IMPACT ESTIMATES (10-Year Cumulative) | Total        | Construction |
|--|--------------|--------------|
| Total Jobs Supported                           | 94           | 0            |
| Total Payroll Supported                        | \$34,000,267 | \$0          |
| Total Output Estimate                          | \$92,742,510 | \$0          |

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

| NEW TAX REVENUE ESTIMATES (10-Year Cumulative) | Direct             | Indirect           | Total              |
|--|--------------------|--------------------|--------------------|
| <b>Local Taxes</b>                             |                    |                    |                    |
| Property                                       | \$1,636,560        | \$1,288,982        | <b>\$2,925,542</b> |
| Sales  | \$0                | \$618,792          | <b>\$618,792</b>   |
| Lodging  | \$0                | \$67,390           | <b>\$67,390</b>    |
| <b>State Taxes</b>                             |                    |                    |                    |
| Property                                       | \$89,510           | \$75,053           | <b>\$164,563</b>   |
| Sales  | \$60,000           | \$210,802          | <b>\$270,802</b>   |
| Modified Business                              | \$237,290          | \$158,527          | <b>\$395,817</b>   |
| Lodging  | \$0                | \$22,744           | <b>\$22,744</b>    |
| <b>Total</b>                                   | <b>\$2,023,360</b> | <b>\$2,442,290</b> | <b>\$4,465,650</b> |

**EMPLOYEE BENEFITS**

- Percentage of health insurance covered by company: 97%.
- Health care package cost per employee - \$7,557 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, COLA Increases, Merit Increases, Tuition Assistance, Retirement Plan / Profit Sharing / 401(k).

**NOTES**

- Percentage of revenue generated by the new jobs contained in this application from outside Nevada: 60%.
- The company is also considering California, Utah, Arizona, and Colorado as potential locations.



April 5, 2018

Mr. Paul Anderson

Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Avenue, Suite 5400  
Las Vegas, Nevada 89101

Dear Mr. Anderson,

Ritchie Bros. Auctioneers (America) Inc. (herein "Ritchie Brothers") is applying to the State of Nevada for the Sales and Use Tax Abatement, Modified Business Tax Abatement, and Personal Property Tax Abatement. We request their application be placed on the agenda for the May 2018 GOED Board Meeting.

Ritchie Brothers is exploring their options to expand operations in Southern Nevada from a current staff of 14 by hiring 25 additional employees over the next 24 months. These new hires will make an average hourly wage of \$22.94 and be provided with a benefits package that includes 97% coverage of the employees' HMO healthcare premium. Ritchie Brothers will make a capital investment of \$3 million dollars.

Our team has reviewed Ritchie Brothers application and found it to comply with Nevada's statutory requirements for tax abatements. This application has the full support and endorsement of the Las Vegas Global Economic Alliance. We appreciate your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Perry Ursem", written over a white background.

Perry Ursem  
Vice President, Business Retention and Expansion

Enclosure

April 4, 2018

Mr. Paul Anderson  
Executive Director  
Nevada Governor's Office of Economic Development  
Southern Nevada Offices  
555 E. Washington Avenue, Suite 5400  
Las Vegas, NV 89101

Dear Mr. Anderson:

Ritchie Bros. Auctioneers (America) Inc. ("RBA") (NYSE: RBA) is pleased to submit this letter to request tax abatement incentives from the Nevada Governor's Office of Economic Development ("NGOED") for an expanding Nevada business. RBA was established in 1958 and is a global asset management and disposition company, offering customers end-to-end solutions for buying and selling used heavy equipment, trucks and other assets. Operating in a multitude of sectors, including construction, transportation, agriculture, energy, oil and gas, mining and forestry, the company's selling channels include: [Ritchie Bros. Auctioneers](#), the world's largest industrial auctioneer offers live auction events with online bidding; [IronPlanet](#), an online marketplace with featured weekly auctions and providing its exclusive IronClad Assurance® equipment condition certification; [Marketplace-E](#), an online marketplace offering multiple price and timing options; [Mascus](#), a leading European online equipment listing service; and [Ritchie Bros. Private Treaty](#), offering privately negotiated sales. The company also offers sector-specific solutions including [GovPlanet](#), [TruckPlanet](#), [Kruse Energy Auctioneers](#), and [Cat®](#) auctions, plus equipment financing and leasing through [Ritchie Bros. Financial Services](#).

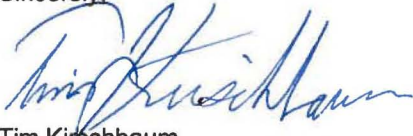
RBA has been operating in the State of Nevada since October 29, 1997 and is looking to expand its operations in the State to allow us to support a large government account awarded recently to our wholly-owned subsidiary, IronPlanet, Inc. Specifically, in December of 2017, IronPlanet, Inc. was awarded a commercial venture contract with the U.S. Defense Logistics Agency ("DLA"), the Department of Defense's logistics combat support agency, to assist with the Department of Defense's reverse supply chain efforts. The inventory that will be received from the DLA will ultimately be sold through RBA's global online marketplace. Our expectation is that more than 50% of these sales will be to out-of-state buyers.

In addition, as part of this award, RBA was required to establish warehouses on the East and West coasts of the United States to manage the inventory being received from the DLA. As we researched potential sites on the West coast that would fit our needs, the State of Nevada was an attractive location for us for several reasons: 1) Nevada is a critical logistics hub supporting the western United States and 2) Nevada has a strong infrastructure with quality human capital resources. We cannot emphasize how critical these factors were in our evaluation and the State of Nevada offered both. As we were already operating in the State, the possibility of additional tax incentives was a strong factor for us in this decision.

The warehouse that has been leased in Nevada is a 169,080 sq. ft. facility that will be used to manage the storage and distribution of the equipment being received from the DLA in the Western region. The warehouse will be the central processing center in the region handling storage, logistics, inventory management, auction management, and delivery orders. As part of the initial growth plans, we will be hiring within the State of Nevada to fill key positions required to operate the warehouse. We will be hiring a warehouse manager and four forklift operators immediately. We will continue to hire warehouse staff as we build out the operation (supervisors, inventory management coordinators, merchandising coordinators, receiving clerks, shipping clerks, and other support personnel) within the first two years of the expansion.

The Nevada Governor's Office of Economic Development has established a business-friendly environment where expanding companies like RBA are provided the information and support required to invest in Nevada. We look forward to working with NGOED to grow our business in Nevada and continue to be a part of the Nevada business community.

Sincerely,



Tim Kirschbaum  
Secretary & Treasurer  
Ritchie Bros. Auctioneers (America) Inc.

Mayor  
**John J. Lee**

Council Members  
**Isaac E. Barron**  
**Pamela A. Goynes-Brown**  
**Scott Black**  
**Richard J. Cherchio**



Acting City Manager  
**Ryann Juden**

**Office of the Mayor and City Council**

2250 Las Vegas Boulevard, North · Suite 910 · North Las Vegas, Nevada 89030  
Telephone: (702) 633-1007 · Fax: (702) 649-1302 ·

April 4, 2018

Mr. Paul Anderson  
Executive Director  
Nevada Governor's Office of Economic Development  
808 West Nye Lane  
Carson City, NV 89703

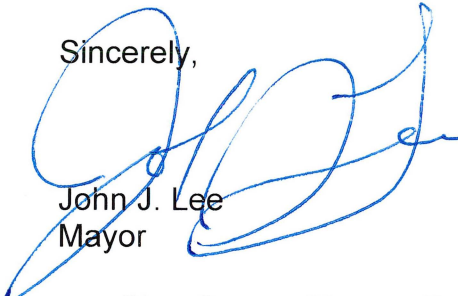
Dear Paul:

I am writing to express my full support for Ritchie Bros. and their incentive application to be reviewed by the GOED Board at their next scheduled meeting.

Ritchie Bros. has been a long-time member of the southern Nevada business community and I am pleased to see they are expanding their footprint and leasing space in North Las Vegas. Ritchie Bros. expansion plans call for a significant investment in capital equipment and the hiring of an additional 25 full-time employees, both of which are outstanding.

It is my pleasure to support this application and I look forward to the continued success of Ritchie Bros. here in North Las Vegas

Sincerely,

  
John J. Lee  
Mayor

cc: Gina Gavan, Director Economic and Business Development

**ECONOMIC DEVELOPMENT**

**Incentive Application**

Company Name: Ritchie Bros. Auctioneers (America) Inc.  
 Date of Application: April 4, 2018

Company is an / a: (check one)  
 New location in Nevada  
 Expansion of a Nevada company

**Section 1 - Type of Incentives**

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement
- Modified Business Tax Abatement
- Personal Property Tax Abatement
- Sales & Use Tax Deferral
- Recycling Real Property Tax Abatement
- Other: \_\_\_\_\_

**Section 2 - Corporate Information**

|  |  |                                       |                                       |
|--|--|---------------------------------------|---------------------------------------|
| COMPANY NAME (Legal name under which business will be transacted in Nevada)<br><u>Ritchie Bros. Auctioneers (America) Inc.</u> |  |                                       | FEDERAL TAX ID #<br><u>91-1830835</u> |
| CORPORATE ADDRESS<br><u>9500 Glenlyon Parkway</u>  | CITY / TOWN<br><u>Burnaby</u>  | STATE / PROVINCE<br><u>BC, Canada</u> | ZIP<br><u>V5J 0C6</u>                 |
| MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)<br><u>4000 Pine Lake Road</u>                                   | CITY / TOWN<br><u>Lincoln</u>  | STATE / PROVINCE<br><u>NE</u>         | ZIP<br><u>68506-0429</u>              |
| TELEPHONE NUMBER<br><u>402-421-0284</u>  | WEBSITE<br><u><a href="http://www.rbauktion.com">www.rbauktion.com</a></u> |                                       |                                       |
| COMPANY CONTACT NAME<br><u>Tim Kirschbaum</u>  | COMPANY CONTACT TITLE<br><u>Secretary &amp; Treasurer</u>                  |                                       |                                       |
| E-MAIL ADDRESS<br><u><a href="mailto:tkirschbaum@rbauktion.com">tkirschbaum@rbauktion.com</a></u>                              | PREFERRED PHONE NUMBER<br><u>402-421-0284</u>                              |                                       |                                       |

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?  Yes  No  
 If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

**Section 3 - Program Requirements**

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. For businesses in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).

**Section 4 - Nevada Facility**

Type of Facility:

- Headquarters
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other: \_\_\_\_\_

|  |  |                               |                     |
|--|--|-------------------------------|---------------------|
| PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA<br><u>60%</u>  | EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR)<br><u>June/July 2018</u> |                               |                     |
| NAICS CODE / SIC<br><u>561900</u>  | INDUSTRY TYPE<br><u>Auction and Warehouse/Distribution/Fulfillment Center</u>      |                               |                     |
| DESCRIPTION OF COMPANY'S NEVADA OPERATIONS<br><u>Warehouse/Distribution Center for items sold via eCommerce</u>  |  |                               |                     |
| PROPOSED / ACTUAL NEVADA FACILITY ADDRESS<br><u>3717 Bay Lake Trail, #102</u>  | CITY / TOWN<br><u>North Las Vegas</u>  | COUNTY<br><u>Clark County</u> | ZIP<br><u>89030</u> |
| WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?<br><u>California, Utah, Arizon and Colorado</u> |  |                               |                     |

**Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)**

Check the applicable box when form has been completed.

- 5 (A)  Equipment List
- 5 (B)  Employment Schedule
- 5 (C)  Evaluation of Health Plan, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.

**Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)**

| New Operations / Start Up - Plans Over the Next <u>Ten</u> Years  | Expansions - Plans Over the Next <u>10</u> Years   |
|---|--|
| <p>Part 1. Are you currently/planning on leasing space in Nevada? _____</p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 2. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? _____</p> <p><b>If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> | <p>Part 1. Are you currently leasing space in Nevada? <u>Yes</u></p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p style="padding-left: 40px;">What year(s)? <u>2008-2033</u></p> <p style="padding-left: 40px;">How much space (sq. ft.)? <u>46,655</u></p> <p style="padding-left: 40px;">Annual lease cost at current space: <u>\$1,296,575.48</u></p> <p>Due to expansion, will you lease additional space? <u>Yes</u></p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p style="padding-left: 40px;">Expanding at the current facility or a new facility? <u>New</u></p> <p style="padding-left: 40px;">What year(s)? <u>2018-2023</u></p> <p style="padding-left: 40px;">How much expanded space (sq. ft.)? <u>169,080</u></p> <p style="padding-left: 40px;">Annual lease cost of expanded space: <u>\$781,140.00</u></p> <p>Do you plan on making building tenant improvements? <u>Yes</u></p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? <u>May-2018</u></p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? <u>No</u></p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? <u>No</u></p> <p><b>If Yes *, continue below:</b></p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> |
| * Please complete Section 7 - Capital Investment for New Operations / Startup.  | * Please complete Section 7 - Capital Investment for Expansions below.   |

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

The new project expands its current operations in the State and includes adding a new warehouse/distribution center to the LV area. The company plans to execute a contract with the Federal government to purchase non-rolling stock (NRS) excess inventory from various locations and auctioning the assets/inventory via online eCommerce websites operated by the company. The items sold will be shipped from from the NV warehouse/distribution center.

**Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)**

| New Operations / Start Up                                 | Expansions   |
|---|--|
| How much capital investment is planned? (Breakout below): | How much capital investment is planned? (Breakout below):                          |
| Building Purchase (if buying): _____                      | Building Purchase (if buying): <u>\$0</u>  |
| Building Costs (if building / making improvements): _____ | Building Costs (if building / making improvements): <u>\$0</u>                     |
| Land: _____   | Land: <u>\$0</u>   |
| Equipment Cost: _____                                     | Equipment Cost: <u>\$3,000,000</u>   |
| <b>Total:</b> _____                                       | <b>Total:</b> <u>\$3,000,000</u>   |
|   | Is the equipment purchase for replacement of existing equipment? <u>No</u>         |
|   | Current assessed value of personal property in NV: <u>\$520,292</u>                |
|   | (Must <b>attach</b> the most recent assessment from the County Assessor's Office.) |

**Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)**

| New Operations / Start Up   | Expansions   |
|---|--|
| How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: _____ | How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: <u>25</u> |
| Average hourly wage of these <u>new</u> employees: _____  | Average hourly wage of these <u>new</u> employees: <u>\$22.94</u>  |
|   | How many FTE employees prior to expansion?: <u>14</u>  |
|   | Average hourly wage of these <u>existing</u> employees: <u>\$25.32</u>   |
|   | Total number of employees after expansion: <u>39</u>   |

\* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- Overtime     
  Merit increases     
  Tuition assistance     
  Bonus  
 PTO / Sick / Vacation     
  COLA adjustments     
  Retirement Plan / Profit Sharing / 401(k)     
  Other: \_\_\_\_\_

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

N/A

**Section 9 - Employee Health Insurance Benefit Program**

Is health insurance for employees and an option for dependents offered?     Yes (copy of benefit plan must be attached)     No

Package includes (check all that apply):

- Medical     
  Vision     
  Dental     
  Other: \_\_\_\_\_

Qualified after (check one):

- Upon employment     
  Three months after hire date     
  Six months after hire date     
  Other: Employees are eligible first of the month after date of hire or on the first if hired on the first

| Health Insurance Costs:   | Percentage of health insurance coverage by (min 65%): |
|---|---|
| Cost of health insurance for company (annual amount per employee): <u>\$ 7,557.00</u> | Company: <u>97%</u>                                   |
| Health Plan annual out-of-pocket maximum (individual): <u>\$ 3,000.00</u>             | Employee: <u>3%</u>                                   |

[SIGNATURE PAGE FOLLOWS]

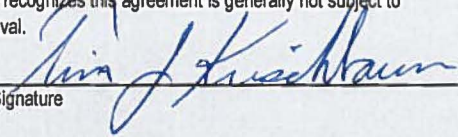


**Section 10 - Certification**

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Tim Kirschbaum  
Name of person authorized for signature

  
Signature

Secretary & Treasurer  
Title

April 4, 2018  
Date

**Nevada Governor's Office of Economic Development**  
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • [www.diversifynevada.com](http://www.diversifynevada.com)

## Site Selection Factors

Company Name: Ritchie Bros. Auctioneers (America) Inc.

County: Clark County

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### Section I - Site Selection Ratings

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Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

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|                                      |          |   |          |
|--------------------------------------|----------|---|----------|
| Availability of qualified workforce: | <u>4</u> | Transportation infrastructure:              | <u>4</u> |
| Labor costs:                         | <u>4</u> | Transportation costs:                       | <u>3</u> |
| Real estate availability:            | <u>3</u> | State and local tax structure:              | <u>5</u> |
| Real estate costs:                   | <u>3</u> | State and local incentives:                 | <u>5</u> |
| Utility infrastructure:              | <u>4</u> | Business permitting & regulatory structure: | <u>5</u> |
| Utility costs:                       | <u>3</u> | Access to higher education resources:       | <u>5</u> |

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Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

# 5(A) Capital Equipment List

Company Name: Ritchie Bros. Auctioneers (America) Inc.

County: Clark County

## Section I - Capital Equipment List

Directions: Please provide an estimated list of the equipment [columns (a) through (c)] which the company intends to purchase over the two-year allowable period. For example, if the effective date of new / expanded operations begins April 1, 2015, the two-year period would be until March 31, 2017. Add an additional page if needed. For guidelines on classifying equipment, visit: [tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal\\_Property\\_Manuals](http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal_Property_Manuals). Attach this form to the Incentives Application.

| (a)<br>Equipment Name/Description | (b)<br># of Units | (c)<br>Price per Unit | (d)<br>Total Cost     |
|-----------------------------------|-------------------|-----------------------|-----------------------|
| Pallet Racking                    | 1                 | \$800,000.00          | \$800,000.00          |
| Material Handling Equipment       | 1                 | \$750,000.00          | \$750,000.00          |
| Warehouse Management Software     | 1                 | \$300,000.00          | \$300,000.00          |
| Computers/Hardware                | 1                 | \$250,000.00          | \$250,000.00          |
| Warehouse Network                 | 1                 | \$450,000.00          | \$450,000.00          |
| Office Equipment                  | 1                 | \$300,000.00          | \$300,000.00          |
| Facilities Improvements           | 1                 | \$150,000.00          | \$150,000.00          |
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|                                   |                   |                       |                       |
| <b>TOTAL EQUIPMENT COST</b>       |                   |                       | <b>\$3,000,000.00</b> |

Is any of this equipment\* to be acquired under an operating lease?       Yes       No

\*Certain lease hold equipment does not qualify for tax abatements

## 5(B) Employment Schedule

Company Name: Ritchie Bros. Auctioneers (America) Inc.

County: Clark County

### Section 1 - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2015, the date would fall in Q2, 2015. The end of the first eighth quarter would be the last day of Q2, 2017 (i.e., June 30, 2017). Attach this form to the Incentives Application.

A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a "primary job" as set forth in NAC 360.474.

| (a)<br>New Hire Position Title/Description | (b)<br>Number of Positions | (c)<br>Average Hourly Wage | (d)<br>Average Weekly Hours | (e)<br>Annual Wage per Position | (f)<br>Total Annual Wages |
|--|----------------------------|----------------------------|-----------------------------|---------------------------------|---------------------------|
| Forklift Operator                          | 8                          | \$18.00                    | 40                          | \$37,440.00                     | \$299,520.00              |
| Inventory Management Coordinator           | 4                          | \$20.00                    | 40                          | \$41,600.00                     | \$166,400.00              |
| Merchandising Coordinator                  | 3                          | \$27.50                    | 40                          | \$57,200.00                     | \$171,600.00              |
| Receiving Clerk (Warehouse Staff)          | 2                          | \$15.00                    | 40                          | \$31,200.00                     | \$62,400.00               |
| Shipping Clerk (Warehouse Staff)           | 2                          | \$15.00                    | 40                          | \$31,200.00                     | \$62,400.00               |
| Warehouse Manager                          | 1                          | \$47.00                    | 40                          | \$97,760.00                     | \$97,760.00               |
| Warehouse Supervisor                       | 3                          | \$30.00                    | 40                          | \$62,400.00                     | \$187,200.00              |
| CDL Driver                                 | 2                          | \$35.00                    | 40                          | \$72,800.00                     | \$145,600.00              |
|  |                            |                            |                             |                                 |                           |
|  |                            |                            |                             |                                 |                           |
| <b>TOTAL</b>                               | <b>25</b>                  | <b>\$22.94</b>             |                             |                                 | <b>\$1,192,880.00</b>     |

### Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete [columns (b) through (c)]. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment. **Please enter the estimates on a year by year basis (not cumulative amounts)**

| (a)<br>Year | (b)<br>Number of FTE(s) Projected | (c)<br>Average Hourly Wage | (d)<br>Payroll |
|-------------|-----------------------------------|----------------------------|----------------|
| 3-Year      | 10                                | \$25.00                    | \$520,000.00   |
| 4-Year      | 10                                | \$25.00                    | \$520,000.00   |
| 5-Year      | 10                                | \$25.00                    | \$520,000.00   |

## 5(C) Evaluation of Health Plans Offered by Companies

Company Name: Ritchie Bros. Auctioneers (America) Inc. County: Clark County

|  |             |
|--|-------------|
| Total Number of Full-Time Employees:         | 25          |
| Average Hourly Wage per Employee             | \$22.94     |
| Average Annual Wage per Employee (implied)   | \$47,715.20 |
| Annual Cost of Health Insurance per Employee | \$7,557.00  |
| Percentage of Cost Covered by:               |             |
| Company                                      | 97%         |
| Employee                                     | 3%          |
| Health Plan Annual Out-of-Pocket Maximum     | \$3,000     |

### Generalized Criteria for Essential Health Benefits (EHB)

*[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]*

|  |         |                              |
|--|---------|------------------------------|
| Covered employee's premium not to exceed 9.5% of annual wage | 0.6%    | <input type="checkbox"/> MMQ |
| Annual Out-of-Pocket Maximum not to exceed \$7,150 (2017)    | \$3,000 | <input type="checkbox"/> MMQ |

Minimum essential health benefits covered (Company offers PPO):

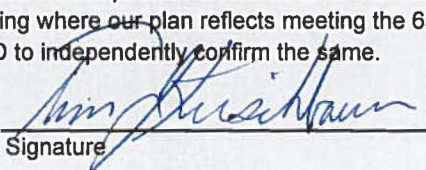
- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached sufficient plan information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Tim Kirschbaum

Name of person authorized for signature

  
Signature

Secretary & Treasurer

Title

April 4, 2018

Date

# SECRETARY OF STATE



## NEVADA STATE BUSINESS LICENSE

**RITCHIE BROS. AUCTIONEERS (AMERICA) INC.**

Nevada Business Identification # NV19971310207

**Expiration Date: October 31, 2018**

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on October 3, 2017

*Barbara K. Cegavske*

Barbara K. Cegavske  
Secretary of State

***You may verify this license at [www.nvsos.gov](http://www.nvsos.gov) under the Nevada Business Search.***

**License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which by law cannot be waived.**



**A global leader in used equipment sales**

Overview presentation

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March 2017



# Ritchie Bros. overview

## The trusted source for buying and selling industrial equipment

- A global leader for industrial auctions; unreserved process
  - » Ritchie Bros. Auctions have no minimum bid/reserved price. No buy-backs.
  - » Ensures the sale of goods on the day of the auction at global market price
- 356 auctions; US\$4.3 billion in Gross Auction Proceeds during 2016
  - » Enormous growth opportunity, with a highly fragmented market
- Provide multichannel sales solutions to expand the breadth of services available to equipment sellers:
  - » EquipmentOne (online marketplace) launched in 2013
  - » Private Treaty (brokerage service) launched in 2015
  - » Mascus (equipment sales listing service) acquired in 2016
- Cater to the needs of heavy equipment owners
  - » Customers are from the construction, trucking, agricultural & resource sectors

## Strong financial performance

- US\$566.4 million of revenue during fiscal 2016
- US\$123.3 million of adjusted net income<sup>1</sup> during fiscal 2016

## Publicly listed on the NYSE and TSX as RBA

- Market cap of approx. US\$3.4 billion (as at March 13, 2017)

Ritchie Bros. has a strong heritage – selling used equipment since 1958



<sup>1</sup> Net Income attributable to stockholders



# Global reach

## 45 auction sites & operations in 15 countries+ worldwide

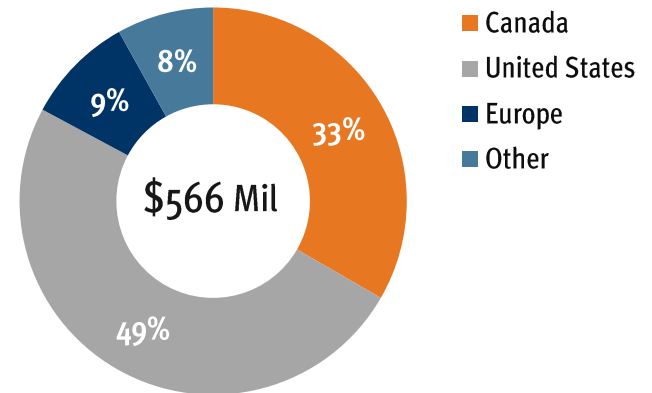
- More than half of auction purchases are made by bidders from outside the region of the auction
- Allows RBA to effectively transfer equipment between regions experiencing different economic cycles
- Consignors benefit from global market pricing for their equipment, generated by international demand
- Buyers benefit from a global supply, with an ability to purchase and ship equipment from weak economic regions to areas with stronger growth

## Ritchie Bros.' online bidding allows customers from around the world to bid on equipment at any of our auctions.

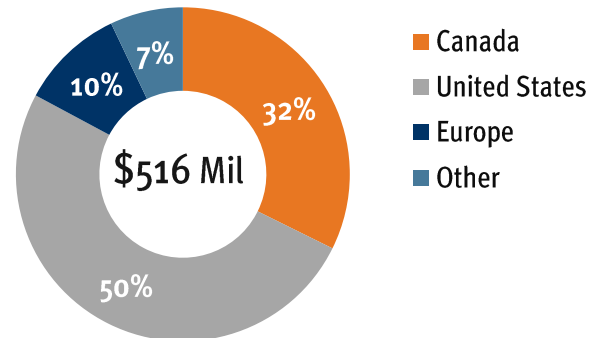
- Real-time information from live auctions available online to registered bidders



## 2016 Regional breakdown of revenue (Revenue breakdown - % of 2016 total)

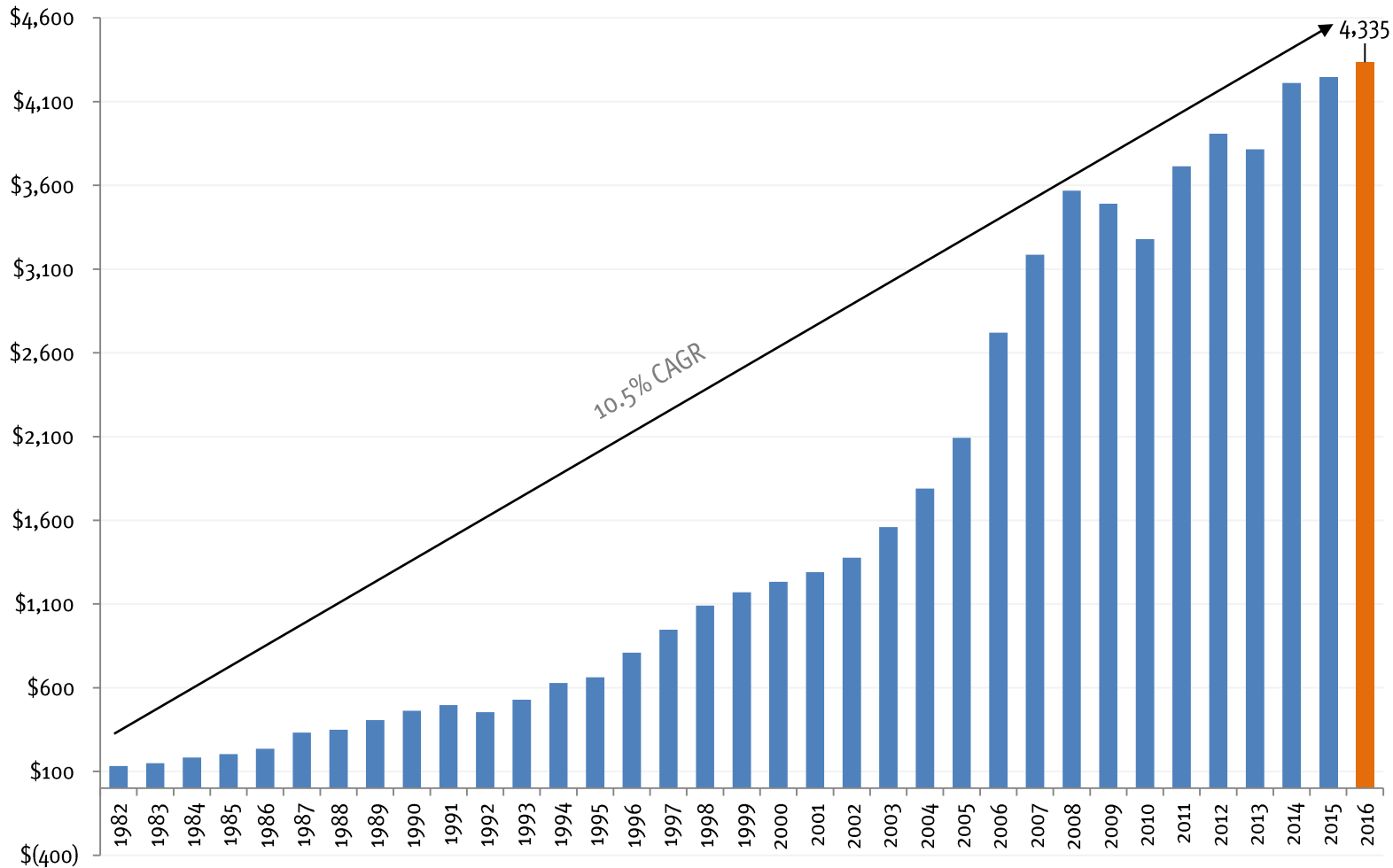


## 2015 Revenue breakdown - % of 2015 total



# Growth of Gross Auction Proceeds (GAP)

Gross Auction Proceeds (US\$ millions)



US\$4.34 billion of GAP produced during fiscal 2016

**GAP:**  
The aggregate dollar amount transacted through Ritchie Bros. Auctioneers and EquipmentOne

# Growing our breadth of services through acquisitions

Since November 2015 we have deployed \$90 million+ of capital to grow our sales channels and bolster our core business

## Additional \$758.5 committed to acquire IronPlanet

- During Q3 2016 we acquired the remaining 49% stake of Ritchie Bros. Financial Services, a minority investment in Machinio, and the purchase of Petrowsky Auctioneers
- On August 29, 2016 we announced the acquisition of IronPlanet for US\$758.5 million (to close before or during H1 2017)
- Announced acquisition of Kramer Auctions in November 2016 (Canadian Agricultural auction company)

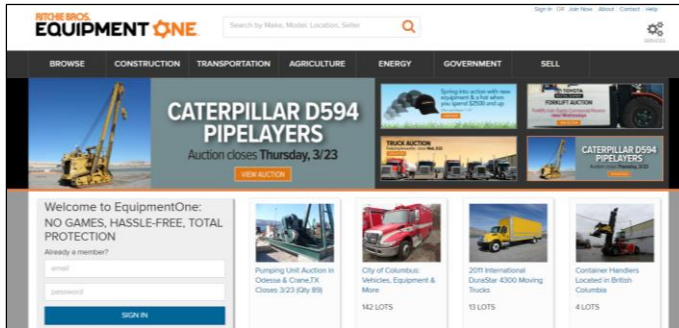
## Recent M&A Activity:



## The launch of EquipmentOne provided customers with another sales solution – an online equipment marketplace

### Commercially launched in 2013

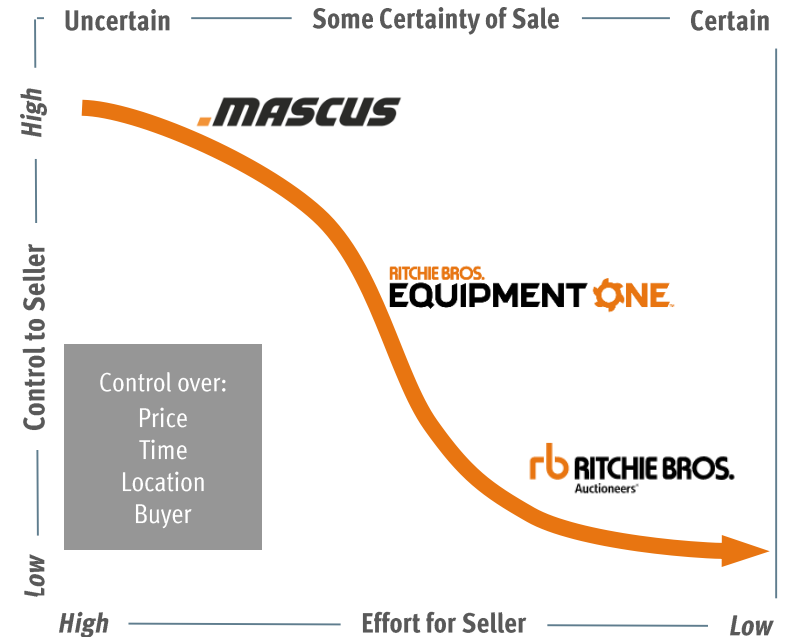
- Offers sellers more control over the sales price, time and purchaser; opens up opportunities for RBA to bid on RFPs
- During 2016, EquipmentOne contributed approx. \$148 million of GTV (Gross Transaction Value) to GAP; up 23% from 2015
- Operates primarily in the United States; expanded into Canada in Q1 2016



Customers of EquipmentOne value having control over the process and price, more than the guarantee of sale. They prefer a negotiated price, over global market value.

## The seller journey: sellers choose methods based upon needed degree of control

Our vision is to position appropriate solutions at each point of seller journey and connect them



**Result: Transacting anyhow, anytime, anywhere**

# Multichannel solutions: **MASCUS**

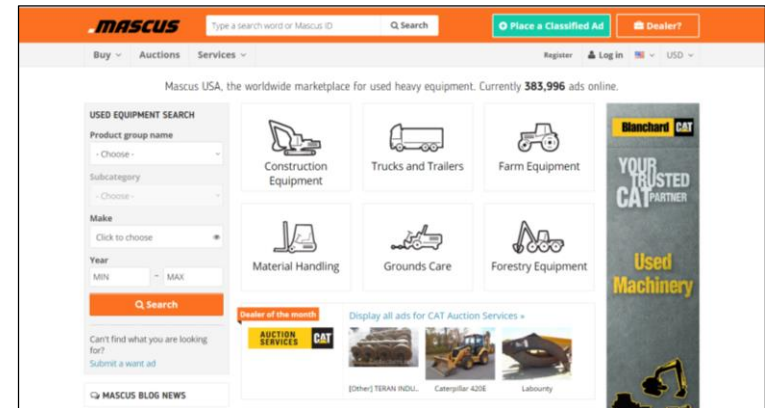
Mascus is a leading global online equipment sales listing service

Grows our service offering, to offer additional sales solutions to equipment sellers.

Expands our buyer audience

Large, established presence in Europe

- Acquired during Q1 2016
- Provides equipment sellers with a turn-key suite of business tools and software solutions catering to the needs of OEMs, dealers and large equipment fleet owners
  - Generates sticky customer relationships
- Mascus generates ~3.2 million monthly website visits
- Business currently has 360,000+ listings of equipment and other assets for sale
- Performance of Mascus is fully consolidated into RBA's financial reports



# Providing unprecedented choice to used equipment sellers & buyers

Together, we will offer customers the widest range of sales solutions and selling formats:

A MULTITUDE OF SALES CHANNEL OPTIONS, MEETING MORE CUSTOMER NEEDS:

|  |   |   |   |  |   |   |   |
|--|---|---|---|--|---|---|---|
|  |  |  |  |  |  |  |  |
| Live on site and live simulcast online auctions                                  | Event-based sales of used construction and heavy equipment                        | Online sales of used construction and used trucks and trailers                    | Online reserve auction and marketplace  | Online sales of government surplus rolling stock                                   | Event-based sales of used oil and gas equipment                                     | Online advertising listing service and B2B portals                                  | Confidential, negotiated sales  |

OUR FULL-SERVICE OFFERING WILL CATER TO SPECIFIC NEEDS OF EQUIPMENT CONSIGNORS, WITH DIFFERING NEEDS:

| Live auction (with online simulcast) | Online-Only Auction | Event-Based Auction | Reserve Price options | Buy Now options | Single Seller options | Private-Label options | Listing service |
|--------------------------------------|---------------------|---------------------|-----------------------|-----------------|-----------------------|-----------------------|-----------------|
| ✓                                    | ✓                   | ✓                   | ✓                     | ✓               | ✓                     | ✓                     | ✓               |