

## FORM 51-102F3

### MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

Ritchie Bros. Auctioneers Incorporated (the “**Company**”)  
9500 Glenlyon Parkway  
Burnaby, British Columbia  
V5J 0C6

**Item 2 Date of Material Change**

October 28, 2020

**Item 3 News Release**

A news release was issued and disseminated through the facilities of a newswire service and filed on the System for Electronic Document Analysis and Retrieval (www.sedar.com) on October 29, 2020.

**Item 4 Summary of Material Change**

On October 29, 2020, the Company and Rouse Services LLC (“**Rouse**”) announced that they had entered into a definitive agreement under which the Company would acquire Rouse for approximately US\$275 million. Under the terms of the transaction, the Company will acquire 100% of the equity of Rouse for approximately US\$250 million in cash and approximately US\$25 million in common stock of the Company, subject to adjustment.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

On October 28, 2020, the Company, Ritchie Bros. Auctioneers (America) Inc., a Washington corporation and subsidiary of the Company (the “**Purchaser**”), Rouse, a California limited liability company, the members of Rouse, (collectively, the “**Sellers**”) and Scott Rouse, in his capacity as seller representative, entered into a membership interest purchase agreement (the “**Purchase Agreement**”) pursuant to which the Sellers will sell and transfer to the Purchaser, and the Purchaser will purchase and acquire from the Sellers (the “**Acquisition**”), all of the issued and outstanding units of Rouse (collectively, the “**Membership Interests**”).

Under the terms of the Purchase Agreement, the purchase price for the Membership Interests is US\$275 million dollars, subject to certain adjustments, including for working capital, indebtedness, certain incentive payments to Rouse employees and Rouse’s transaction expenses. The purchase price will be paid in cash, with the exception of 20% of the consideration payable to each of three individual Sellers who will be entering into employment agreements with the Purchaser (the “**Rollover Members**”), which will be paid in Company common shares (the “**Consideration Shares**”), based on a 30-day volume weighted average price for the period ending three business days before the closing date.

The Consideration Shares will be subject to transfer and forfeiture restrictions that will lapse, with certain exceptions, in varying frequencies and increments, depending on the applicable Rollover Member, with all forfeiture restrictions to lapse by the third anniversary of the closing date for each Rollover Member if the Rollover Member is still employed by the Purchaser or any of its affiliates as of that date.

The Purchase Agreement contains customary representations and warranties of Rouse, the Sellers, the Purchaser and the Company, as well as covenants regarding Rouse's operation of its business prior to the closing of the Acquisition and certain protective covenants under which the Sellers have agreed not to take certain actions competitive with, or harmful to, Rouse's business after the closing. Additionally, the Purchase Agreement contains provisions regarding indemnification in favor of the Purchaser and the Sellers. The Purchaser has agreed to obtain a representation and warranty insurance policy with respect to the Acquisition, and the Purchaser will deposit into escrow a specified portion of the total consideration otherwise payable in the Acquisition to the Sellers, to be held in escrow for indemnification claims and any purchase price adjustments, if any, under the Purchase Agreement for a period of 12 months following the completion of the Acquisition.

Between signing of the Purchase Agreement and closing, the Sellers have agreed to cause Rouse and its subsidiaries to conduct business in the ordinary course consistent with past practice and use reasonable best efforts to maintain and preserve their organization, business and franchise, including the preservation of rights and relationships.

Completion of the Acquisition is subject to customary closing conditions, including, among other conditions, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**").

The Purchase Agreement contains termination rights of the Sellers and Purchaser, including (i) by mutual agreement, (ii) upon the existence of certain governmental actions or restraints prohibiting the consummation of the transaction, including under the HSR Act, (iii) upon a material, uncured breach of the Purchase Agreement and (iv) upon a failure to close the Acquisition by February 25, 2020 (the "**Outside Date**") if certain conditions are met. If the Purchase Agreement is terminated by the Sellers due to (i) a nonappealable order or the institution of a government proceeding, including under the HSR Act, or (ii) the failure of the closing to occur on or before the Outside Date (provided that all mutual closing conditions and Purchaser closing conditions have been satisfied except for those conditions that, by their nature are to be satisfied at closing), then the Purchaser shall pay to Rouse a termination fee of US\$13,750,000.

The foregoing description of the Purchase Agreement is qualified in its entirety by reference to the full text of the Purchase Agreement, a copy of which is available on the Company's SEDAR profile.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

### **Item 7 Omitted Information**

Not applicable.

### **Item 8 Executive Officer**

For more information, please contact:

Darren Watt  
Corporate Secretary  
Tel: (778) 331-5500

### **Item 9 Date of Report**

November 5, 2020