UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ______ to ______

Commission file number: 001-13425

Ritchie Bros. Auctioneers Incorporated
(Exact Name of Registrant as Specified in its Charter)

Canada	**N/A**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9500 Glenlyon Parkway Burnaby, British Columbia, Canada	**V5J 0C6**
(Address of Principal Executive Offices)	(Zip Code)

(778) 331-5500
(Registrant's Telephone Number, including Area Code)

Indicate by checkmark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "Accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):
Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):
Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date: 106,101,974 common shares, without par value, outstanding as of May 6, 2016.

RITCHIE BROS. AUCTIONEERS INCORPORATED
FORM 10-Q
For the quarter ended March 31, 2016

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Cautionary Note Regarding Forward-Looking Statements

The information discussed in this Form 10-Q of Ritchie Bros. Auctioneers Incorporated (“Ritchie Bros.”, the “Company”, “we” or “us”) includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) and Canadian securities laws. These statements are based on our current expectations and estimates about our business and markets, and include, among others, statements relating to:

- our future strategy, objectives, targets, projections, and performance;
- our ability to drive shareholder value;
- market opportunities;
- our internet initiatives and the level of participation in our auctions by internet bidders, and the success of EquipmentOne and our other online marketplaces;
- our ability to grow our core auction business, including our ability to increase our market share among traditional customer groups, including those in the used equipment market, and do more business with new customer groups in new sectors;
- the impact of our new initiatives, services, investments, and acquisitions on us and our customers;
- potential future acquisitions;
- our ability to add new business and information solutions, including, among others, our ability to maximize and integrate technology to enhance our auction services and support additional value-added services;
- the effect of Original Equipment Manufacturer production on our Gross Auction Proceeds (“GAP”) [1] ;
- the supply trend of equipment in the market and the anticipated price environment for late model equipment, as well as the resulting effect on our business and GAP;
- the growth potential of Ritchie Bros. Financial Services (“RBFS”), as well as expectations towards and significance of its service offerings and geographical expansion in the near future;
- fluctuations in our quarterly revenues and operating performance resulting from the seasonality of our business;
- our ability to grow our sales force, minimize turnover, and improve Sales Force Productivity (as described below);
- our ability to implement new performance measurement metrics to gauge our effectiveness and progress;
- the relative percentage of GAP represented by straight commission or underwritten (guarantee and inventory) contracts, and its impact on revenues and profitability;
- our Revenue Rates (as described below), the sustainability of those rates, the impact of our commission rate and fee changes, and the seasonality of GAP and revenues;
- our future capital expenditures and returns on those expenditures;
- the proportion of our revenues, operating expenses, and operating income denominated in currencies other than the United States (“U.S.”) dollar or the effect of any currency exchange and interest rate fluctuations on our results of operations;
- financing available to us, our ability to refinance borrowings, and the sufficiency of our working capital to meet our financial needs; and
- our ability to satisfy our present operating requirements and fund future growth through existing working capital and credit facilities.

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1 GAP represents the total proceeds from all items sold at our auctions and online marketplaces. It is a measure of operational performance and not a measure of financial performance, liquidity, or revenue. It is not presented in our consolidated financial statements.

Forward-looking statements are typically identified by such words as “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “intend”, “may”, “ongoing”, “plan”, “potential”, “predict”, “will”, “should”, “would”, “could”, “likely”, “generally”, “future”, “period to period”, “long-term”, or the negative of these terms, and similar expressions intended to identify forward-looking statements. Our forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict.

While we have not described all potential risks related to our business and owning our common shares, the important factors listed under “Risk Factors” below are among those that we consider may affect our performance materially or could cause our actual financial and operational results to differ significantly from our expectations. Except as required by applicable securities law and regulations of relevant securities exchanges, we do not intend to update publicly any forward-looking statements, even if our expectations have been affected by new information, future events or other developments. You should consider our forward-looking statements in light of the factors listed or referenced under “Risk Factors” herein and other relevant factors.

PART I

ITEM 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Income Statements
(Expressed in thousands of United States dollars, except where noted)
(Unaudited)

Three months ended March 31,	2016	2015
Revenues (note 6)	$ 131,945	$ 115,618
Costs of services, excluding depreciation and amortization (note 7)	15,313	11,609
	116,632	104,009
Selling, general and administrative expenses (note 7)	68,307	63,756
Depreciation and amortization expenses (note 7)	10,080	10,616
Gain on disposition of property, plant and equipment	(246)	(175)
Foreign exchange gain	(683)	(3,207)
Operating income	39,174	33,019
Other income (expense):		
Interest income	498	847
Interest expense	(1,363)	(1,269)
Equity income (note 18)	519	233
Other, net	698	713
	352	524
Income before income taxes	39,526	33,543
Income tax expense (recovery) (note 8):		
Current	10,009	10,713
Deferred	(477)	(1,280)
	9,532	9,433
Net income	$ 29,994	$ 24,110
Net income attributable to:		
Stockholders	$ 29,406	$ 23,777
Non-controlling interests	588	333
	$ 29,994	$ 24,110
Earnings per share attributable to stockholders (note 10):		
Basic	$ 0.28	$ 0.22
Diluted	$ 0.27	$ 0.22
Weighted average number of shares outstanding (note 10):		
Basic	106,917,280	107,484,944
Diluted	107,159,010	107,807,948

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income
(Expressed in thousands of United States dollars)
(Unaudited)

Three months ended March 31,	2016	2015
Net income	$ 29,994	$ 24,110
Other comprehensive income (loss), net of income tax:		
Foreign currency translation adjustment	12,195	(28,298)
Total comprehensive income (loss)	$ 42,189	$ (4,188)
Total comprehensive income (loss) attributable to:		
Stockholders	41,434	(4,335)
Non-controlling interests	755	147
	$ 42,189	$ (4,188)

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Balance Sheets
(Expressed in thousands of United States dollars, except share data)
(Unaudited)

	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 294,074	$ 210,148
Restricted cash	117,944	83,098
Trade and other receivables	131,098	59,412
Inventory (note 13)	29,452	58,463
Advances against auction contracts	3,750	4,797
Prepaid expenses and deposits	11,692	11,057
Assets held for sale (note 14)	631	629
Income taxes receivable	8,592	2,495
	597,233	430,099
Property, plant and equipment (note 15)	535,864	528,591
Equity-accounted investments (note 18)	7,081	6,487
Other non-current assets	3,556	3,369
Intangible assets (note 16)	65,400	46,973
Goodwill (note 17)	111,569	91,234
Deferred tax assets	14,815	13,362
	$ 1,335,518	$ 1,120,115
Liabilities and Equity		
Current liabilities:		
Auction proceeds payable	$ 289,103	$ 101,215
Trade and other payables	130,368	120,042
Income taxes payable	1,190	13,011
Short-term debt (note 19)	42,504	12,350
Current portion of long-term debt (note 19)	46,132	43,348
	509,297	289,966
Long-term debt (note 19)	56,143	54,567
Share unit liabilities	3,188	5,633
Other non-current liabilities	8,803	6,735
Deferred tax liabilities	35,392	31,070
	612,823	387,971
Contingencies (note 22)		
Contingently redeemable non-controlling interest (note 9)	41,444	24,785
Stockholders' equity (note 20):		
Share capital:		
Common stock; no par value, unlimited shares authorized, issued and outstanding shares: 105,885,660 (December 31, 2015: 107,200,470)	98,613	131,530
Additional paid-in capital	27,969	27,728
Retained earnings	594,986	601,051
Accumulated other comprehensive income	(45,105)	(57,133)
Stockholders' equity	676,463	703,176
Non-controlling interest	4,788	4,183
	681,251	707,359
	$ 1,335,518	$ 1,120,115

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity
(Expressed in thousands of United States dollars, except where noted)
(Unaudited)

	Attributable to stockholders							
	Common stock							
	Number of shares	Amount	Additional paid-In capital	Retained earnings	Accumulated other comprehensive income (loss)	Non-controlling interest	Total equity	Contingently redeemable non-controlling interest
Balance, December 31, 2015	107,200,470	$ 131,530	$ 27,728	$ 601,051	$ (57,133)	$ 4,183	$ 707,359	$ 24,785
Net income	-	-	-	29,406	-	117	29,523	471
Other comprehensive income	-	-	-	-	12,028	-	12,028	167
	-	-	-	29,406	12,028	117	41,551	638
Change in value of contingently redeemable non-controlling interest	-	-	-	(18,317)	-	-	(18,317)	18,317
Stock option exercises	145,190	3,809	(778)	-	-	-	3,031	-
Stock option tax adjustment	-	-	(51)	-	-	-	(51)	-
Stock option compensation expense (note 21)	-	-	1,070	-	-	-	1,070	-
Non-controlling interest acquired in a business combination (note 23)	-	-	-	-	-	488	488	-
Shares repurchased (note 20)	(1,460,000)	(36,726)	-	-	-	-	(36,726)	-
Cash dividends paid (note 20)	-	-	-	(17,154)	-	-	(17,154)	(2,296)
Balance, March 31, 2016	105,885,660	$ 98,613	$ 27,969	$ 594,986	$ (45,105)	$ 4,788	$ 681,251	$ 41,444

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows
(Expressed in thousands of United States dollars)
(Unaudited)

Three months ended March 31,	2016	2015
Cash provided by (used in):		
Operating activities:		
Net income	$ 29,994	$ 24,110
Adjustments for items not affecting cash:		
Depreciation and amortization expenses	10,080	10,616
Inventory write down (note 13)	-	60
Stock option compensation expense (note 21)	1,070	723
Deferred income tax recovery	(477)	(1,280)
Equity income less dividends received	(519)	(233)
Unrealized foreign exchange gain	(621)	(996)
Gain on disposition of property, plant and equipment	(246)	(175)
Net changes in operating assets and liabilities (note 11)	94,733	77,409
Net cash provided by operating activities	134,014	110,234
Investing activities:		
Acquisition of Mascus (note 23)	(27,812)	-
Property, plant and equipment additions	(2,444)	(3,327)
Intangible asset additions	(3,711)	(2,419)
Proceeds on disposition of property, plant and equipment	824	773
Other, net	(173)	-
Net cash used in investing activities	(33,316)	(4,973)
Financing activities:		
Issuances of share capital	3,031	4,421
Share repurchase (note 20)	(36,726)	(47,489)
Dividends paid to stockholders (note 20)	(17,154)	(15,089)
Dividends paid to contingently redeemable non-controlling interests	(2,296)	(1,340)
Proceeds from short-term debt	30,179	-
Repayment of short-term debt	(2,283)	(185)
Repayment of finance lease obligations	(493)	(532)
Other, net	32	(105)
Net cash used in financing activities	(25,710)	(60,319)
Effect of changes in foreign currency rates on cash and cash equivalents	8,938	(8,497)
Increase in cash and cash equivalents	83,926	36,445
Cash and cash equivalents, beginning of period	210,148	139,815
Cash and cash equivalents, end of period	$ 294,074	$ 176,260

See accompanying notes to condensed consolidated financial statements.

1. General information

Ritchie Bros. Auctioneers Incorporated and its subsidiaries (collectively referred to as the "Company") provide asset management and disposition services for the construction, agricultural, transportation, energy, mining, forestry, material handling, marine and real estate industries through its unreserved auctions, online marketplace services, value-added services and listing and software services. Ritchie Bros. Auctioneers Incorporated is a company incorporated in Canada under the Canada Business Corporations Act, whose shares are publicly traded on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE").

2. Significant accounting policies

(a) Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with United States generally accepted accounting principles ("US GAAP"). They include the accounts of Ritchie Bros. Auctioneers Incorporated and its subsidiaries (collectively referred to as the "Company") from their respective dates of formation or acquisition. All significant intercompany balances and transactions have been eliminated.

Certain information and footnote disclosure required by US GAAP for complete annual financial statements have been omitted and, therefore, these condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015, included in the Company's Annual Report on Form 10-K, filed with the Securities Exchange Commission ("SEC"). A selection of the accounting policies for which there has been a change since the annual consolidated financial statements are set out below. In the opinion of management, these unaudited condensed consolidated interim financial statements reflect all adjustments, consisting of normal recurring adjustments, which are necessary to present fairly, in all material respects, the Company's consolidated financial position, results of operations, cash flows and changes in equity for the interim periods presented. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Previously, the Company prepared its consolidated financial statements under International Financial Reporting Standards ("IFRS") as permitted by securities regulators in Canada, as well as in the United States under the status of a Foreign Private Issuer as defined by the United States SEC. At the end of the second quarter of 2015, the Company determined that it no longer qualified as a Foreign Private Issuer under the SEC rules. As a result, beginning January 1, 2016 the Company was required to report with the SEC on domestic forms and comply with domestic company rules in the United States. The transition to US GAAP was made retrospectively for all periods from the Company's inception.

(b) Revenue recognition

Revenues are comprised of:

- commissions earned at our auctions through the Company acting as an agent for consignors of equipment and other assets, as well as commissions on online marketplace sales, and
- fees earned in the process of conducting auctions through all our auction channels and from value-added services, as well as subscription revenues from our listing and software services.

2. Significant accounting policies (continued)

(b) Revenue recognition (continued)

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable, and collectability is reasonably assured. For auction or online marketplace sales, revenue is recognized when the auction or online marketplace sale is complete and the Company has determined that the sale proceeds are collectible. Revenue is measured at the fair value of the consideration received or receivable and is shown net of value-added tax and duties.

Commissions from sales at our auctions represent the percentage earned by the Company on the gross auction proceeds from equipment and other assets sold at auction. The majority of commissions are earned as a pre-negotiated fixed rate of the gross selling price. Other commissions from sales at our auctions are earned from underwritten commission contracts, when the Company guarantees a certain level of proceeds to a consignor or purchases inventory to be sold at auction. Commissions also include those earned on online marketplace sales.

Commissions from sales at auction

The Company accepts equipment and other assets on consignment or takes title for a short period of time prior to auction, stimulates buyer interest through professional marketing techniques, and matches sellers (also known as consignors) to buyers through the auction or private sale process.

In its role as auctioneer, the Company matches buyers to sellers of equipment on consignment, as well as to inventory held by the Company, through the auction process. Following the auction, the Company invoices the buyer for the purchase price of the property, collects payment from the buyer, and where applicable, remits to the consignor the net sale proceeds after deducting its commissions, expenses and applicable taxes. Commissions are calculated as a percentage of the hammer price of the property sold at auction.

On the fall of the auctioneer's hammer, the highest bidder becomes legally obligated to pay the full purchase price, which is the hammer price of the property purchased and the seller is legally obligated to relinquish the property in exchange for the hammer price less any seller's commissions. Commission revenue is recognized on the date of the auction sale upon the fall of the auctioneer's hammer, which is the point in time when the Company has substantially accomplished what it must do to be entitled to the benefits represented by the commission revenue. Subsequent to the date of the auction sale, the Company's remaining obligations for its auction services relate only to the collection of the purchase price from the buyer and the remittance of the net sale proceeds to the seller.

Under the standard terms and conditions of its auction sales, the Company is not obligated to pay a consignor for property that has not been paid for by the buyer, provided that the property has not been released to the buyer. In the rare event where a buyer refuses to take title of the property, the sale is cancelled in the period in which the determination is made, and the property is returned to the consignor. Historically, cancelled sales have not been material in relation to the aggregate hammer price of property sold at auction.

Commission revenues are recorded net of commissions owed to third parties, which are principally the result of situations when the commission is shared with a consignor or with the counterparty in an auction guarantee risk and reward sharing arrangement. Additionally, in certain situations, commissions are shared with third parties who introduce the Company to consignors who sell property at auction.

2. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Underwritten commission contracts can take the form of guarantee or inventory contracts. Guarantee contracts typically include a pre-negotiated percentage of the guaranteed gross proceeds plus a percentage of proceeds in excess of the guaranteed amount. If actual auction proceeds are less than the guaranteed amount, commission is reduced; if proceeds are sufficiently lower, the Company can incur a loss on the sale. Losses, if any, resulting from guarantee contracts are recorded in the period in which the relevant auction is completed. If a loss relating to a guarantee contract held at the period end to be sold after the period end is known or is probable and estimable at the financial statement reporting date, the loss is accrued in the financial statements for that period. The Company's exposure from these guarantee contracts fluctuates over time (note 22).

Revenues related to inventory contracts are recognized in the period in which the sale is completed, title to the property passes to the purchaser and the Company has fulfilled any other obligations that may be relevant to the transaction, including, but not limited to, delivery of the property. Revenue from inventory sales is presented net of costs within revenues on the income statement, as the Company takes title only for a short period of time and the risks and rewards of ownership are not substantially different than the Company's other underwritten commission contracts.

Fees

Fees earned in the process of conducting our auctions include administrative, documentation, and advertising fees. Fees from value-added services include financing and technology service fees. Fees also subscription revenues from our listing and software services, as well as amounts paid by buyers (a "buyer's premium") on online marketplace sales. Fees are recognized in the period in which the service is provided to the customer.

(c) Costs of services, excluding depreciation and amortization expenses

Costs of services are comprised of expenses incurred in direct relation to conducting auctions ("direct expenses"), earning online marketplace revenues, and earning other fee revenues. Direct expenses include direct labour, buildings and facilities charges, and travel, advertising and promotion costs. Costs of services incurred to earn online marketplace revenues include inventory management, referral, inspection, sampling, and appraisal fees. Costs of services incurred in earning other fee revenues include direct labour (including commissions on sales), software maintenance fees, and materials. Costs of services exclude depreciation and amortization expenses. In comparative periods, costs of services consisted entirely of direct expenses. As a result of the Xcira LLC ("Xcira") and Mascus International Holdings BV ("Mascus") acquisitions, significant other costs of services are now incurred in earning our revenues (note 23).

(d) New and amended accounting standards

(i) Effective January 1, 2016, the Company adopted Accounting Standards Update ("ASU") 2015-16, *Business Combinations (Topic 805), Simplifying the Accounting for Measurement-Period Adjustments* , which requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The adoption of this standard did not have an impact on the Company's consolidated financial statements with respect to the acquisition of Xcira (note 23(b)) as no adjustments to provisional amounts were identified during the measurement period. With respect to the Mascus acquisition (note 23(a)), the Company is still in the measurement period, and has not yet identified any adjustments to provisional amounts.

2. Significant accounting policies (continued)

(d) New and amended accounting standards (continued)

(ii) Effective January 1, 2016, the Company adopted ASU 2015-05, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40), Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* , which provides clarity around a customer's accounting for fees paid in a cloud computing arrangement. The amendments in ASU 2015-05 add guidance to assist customers in determining whether a cloud computing arrangement includes a software license. Software license elements of cloud computing arrangements are accounted for consistent with the acquisition of other intangible asset licenses. Where there is no software license element, the cloud computing arrangement is accounted for as a service contract. The standard was applied prospectively and did not have an impact on the Company's consolidated financial statements.

(iii) Effective January 1, 2016, the Company adopted ASU 2015-02, *Consolidation (Topic 810), Amendments to the Consolidation Analysis* , which changes the evaluation of whether limited partnerships and similar legal entities are variable interest entities ("VIEs"), and eliminates the presumption that a general partner should consolidate a limited partnership that is a voting interest entity. The new guidance also alters the analysis for determining when fees paid to a decision maker or service provider represent a variable interest in a VIE and how interests of related parties affect the primary beneficiary determination. The adoption of this standard did not have an impact on the Company's consolidated financial statements.

(iv) Effective January 1, 2016, the Company adopted ASU 2014-12, *Compensation – Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* , which requires that a performance target that (1) affects vesting of an award, and (2) could be achieved after the requisite service period of the employee be treated as a performance condition. The adoption of this standard did not have an impact on the Company's consolidated financial statements.

(e) Recent accounting standards not yet adopted

(i) In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* , which requires lessees to recognize almost all leases, including operating leases, on the balance sheet through a right-of-use asset and a corresponding lease liability. For short-term leases, defined as those with a term of 12 months or less, the lessee is permitted to make an accounting policy election not to recognize the lease assets and liabilities, and instead recognize the lease expense generally on a straight-line basis over the lease term. The accounting treatment under this election is consistent with current operating lease accounting. No extensive amendments were made to lessor accounting, but amendments of note include changes to the definition of initial direct costs and accounting for collectability uncertainties in a lease. ASU 2016-02 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. Both lessees and lessors must apply ASU 2016-02 using a "modified retrospective transition", which reflects the new guidance from the beginning of the earliest period presented in the financial statements. However, lessees and lessors can elect to apply certain practical expedients on transition. The Company is evaluating the new guidance to determine the impact it will have on its consolidated financial statements.

(ii) In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities* , the first of three standards related to financial instrument accounting. The amendments of ASU 2016-01 require equity method investments (except for equity-method accounted investments and those resulting in consolidation of the investee) to be measured at fair value with changes recognized in net income. For equity investments that do not have readily determinable fair values, the entity may elect to measure the investment at cost less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

2. Significant accounting policies (continued)

(e) Recent accounting standards not yet adopted (continued)

The Company is evaluating the new guidance to determine the impact it will have on its consolidated financial statements. The amendments also:

- Simplify the impairment assessment of equity investments that do not have readily determinable fair values, by requiring a qualitative assessment to identify impairment. The entity is only required to measure the investment at fair value if the qualitative assessment indicates that impairment exists.
- Eliminate the requirement to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost.
- Require the exit price notion to be used when measuring the fair value of financial instruments for disclosure purposes.
- Require separate presentation of financial assets and liabilities by measurement category and form of financial asset (i.e. securities or loans & receivables) on the balance sheet or the accompanying notes to the financial statements.

ASU 2016-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is only permitted for the provisions under ASU 2016-01 related to the recognition of changes in fair value of financial liabilities. The Company is evaluating the new guidance to determine the impact it will have on its consolidated financial statements.

(iii) In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* , which requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In particular, it moves away from the current industry and transaction specific requirements. ASU 2014-09 creates a five-step model that requires entities to exercise judgment when considering the terms of the contract(s) which include:

1. Identifying the contract(s) with the customer,
2. Identifying the separate performance obligations in the contract,
3. Determining the transaction price,
4. Allocating the transaction price to the separate performance obligations, and
5. Recognizing revenue as each performance obligation is satisfied.

The amendments also contain extensive disclosure requirements designed to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the FASB delayed the effective date of ASU 2014-09 by one year so that ASU 2014-09 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The Company is evaluating the new guidance to determine the impact it will have on its consolidated financial statements.

2. Significant accounting policies (continued)

(e) Recent accounting standards not yet adopted (continued)

(iv) In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606), Principal versus Agent Considerations (Reporting Revenue Gross versus Net* . The amendments in ASU 2016-08 clarify the implementation guidance on principal versus agent considerations, focusing on whether an entity controls a specified good or service before that good or service is transferred to a customer. Where such control exists – i.e. where the entity is required to provide the specified good or service itself – the entity is a ‘principal’. Where the entity is required to arrange for another party to provide the good or service, it is an agent. The effective date and transition requirements of ASU 2016-08 are the same as for ASU 2014-09, which is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The Company is evaluating the new guidance to determine the impact it will have on its consolidated financial statements.

(v) In March 2016, the FASB issued ASU No. 2016-09, "Compensation—Stock Compensation (Topic 718)." This standard makes several modifications to Topic 718 related to the accounting for forfeitures, employer tax withholding on share-based compensation and the financial statement presentation of excess tax benefits or deficiencies. ASU 2016-09 also clarifies the statement of cash flows presentation for certain components of share-based awards. The standard is effective for interim and annual reporting periods beginning after December 15, 2016, although early adoption is permitted. The Company is evaluating how the adoption of this standard will impact its consolidated financial statements

3. Significant judgments, estimates and assumptions

The preparation of financial statements in conformity with US GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Future differences arising between actual results and the judgments, estimates and assumptions made by the Company at the reporting date, or future changes to estimates and assumptions, could necessitate adjustments to the underlying reported amounts of assets, liabilities, revenues and expenses in future reporting periods.

Judgments, estimates and underlying assumptions are evaluated on an ongoing basis by management, and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstance and such changes are reflected in the assumptions when they occur. Significant estimates include the estimated useful lives of long-lived assets, as well as valuation of goodwill, underwritten commission contracts, contingently redeemable non-controlling interest and share-based compensation.

4. Seasonality of operations

The Company's operations are both seasonal and event driven. Revenues tend to be highest during the second and fourth calendar quarters. The Company generally conducts more auctions during these quarters than during the first and third calendar quarters. Late December through mid-February and mid-July through August are traditionally less active periods.

(Tabular amounts expressed in thousands of United States dollars, except where noted)

5. Segmented information

The Company's principal business activity is the sale of industrial equipment and other assets at auctions. The Company's operations are comprised of one reportable segment and other business activities that are not reportable as follows:

- Core Auction segment, a network of auction locations that conduct live, unreserved auctions with both on-site and online bidding; and
- Other includes the results of the Company's EquipmentOne and Mascus online services, which are not material to the Company's consolidated financial statements. During the three months ended March 31, 2016, the Company acquired Mascus and has updated its segment reporting such that the results of EquipmentOne and Mascus (subsequent to acquisition in February 2016) are reported as "Other."

The Chief Operating Decision Maker evaluates segment performance based on earnings (loss) from operations. The significant non-cash item included in segment earnings (loss) from operations is depreciation and amortization.

Three months ended March 31, 2016	Core Auction	Other	Consolidated
Revenues	$ 127,340	$ 4,605	$ 131,945
Costs of services, excluding depreciation and amortization	(14,785)	(528)	(15,313)
Selling, general and administrative expenses	(64,820)	(3,487)	(68,307)
Depreciation and amortization expenses	(9,304)	(776)	(10,080)
	38,431	$ (186)	$ 38,245
Gain on disposition of property, plant and equipment			246
Foreign exchange gain			683
Operating income			$ 39,174
Equity income			519
Other and income tax expenses			(9,699)
Net income			$ 29,994

Three months ended March 31, 2015	Core Auction	Other	Consolidated
Revenues	$ 112,645	$ 2,973	$ 115,618
Costs of services, excluding depreciation and amortization	(11,609)	-	(11,609)
Selling, general and administrative expenses	(60,598)	(3,158)	(63,756)
Depreciation and amortization expenses	(9,696)	(920)	(10,616)
	$ 30,742	$ (1,105)	$ 29,637
Gain on disposition of property, plant and equipment			175
Foreign exchange gain			3,207
Operating income			$ 33,019
Equity income			233
Other and income tax expenses			(9,142)
Net income			$ 24,110

(Tabular amounts expressed in thousands of United States dollars, except where noted)

6. Revenues

The Company's revenue from the rendering of services is as follows:

Three months ended March 31,		2016		2015
Commissions	$	99,793	$	93,140
Fees		32,152		22,478
	$	131,945	$	115,618

Net profits on inventory sales included in commissions are:

Three months ended March 31,		2016		2015
Revenue from inventory sales	$	124,557	$	153,281
Cost of inventory sold		(111,536)		(138,578)
	$	13,021	$	14,703

7. Operating expenses

Costs of services, excluding depreciation and amortization

Three months ended March 31,		2016		2015
Employee compensation expenses	$	6,258	$	4,598
Buildings, facilities and technology expenses		2,295		1,614
Travel, advertising and promotion expenses		5,937		4,154
Other costs of services		823		1,243
	$	15,313	$	11,609

Selling, general and administrative ("SG&A") expenses

Three months ended March 31,		2016		2015
Employee compensation expenses	$	44,490	$	41,729
Buildings, facilities and technology expenses		11,236		10,046
Travel, advertising and promotion expenses		5,562		6,081
Professional fees		3,452		3,100
Other SG&A expenses		3,567		2,800
	$	68,307	$	63,756

Depreciation and amortization expenses

Three months ended March 31,		2016		2015
Depreciation expense	$	7,783	$	9,280
Amortization expense		2,297		1,336
	$	10,080	$	10,616

8. Income taxes

At the end of each interim period, the Company estimates the effective tax rate expected to be applicable for the full fiscal year. The estimate reflects, among other items, our best estimate of operating results. It does not include the estimated impact of foreign exchange rates or unusual and/or infrequent items, which may cause significant variations in the customary relationship between income tax expense and income before income taxes.

The Company's consolidated effective tax rate in respect of operations for the three months ended March 31, 2016 was 24.1% (2015: 28.1%).

9. Contingently redeemable non-controlling interest in Ritchie Bros. Financial Services

The Company holds a 51% interest in Ritchie Bros. Financial Services ("RBFS"), an entity that provides loan origination services to enable the Company's auction customers to obtain financing from third party lenders. As a result of the Company's involvement with RBFS, the Company is exposed to risks related to the recovery of the net assets of RBFS as well as liquidity risks associated with the put option discussed below.

The Company has determined RBFS is a variable interest entity because the Company provides subordinated financial support to RBFS and because the Company's voting interest is disproportionately low in relation to its economic interest in RBFS while substantially all the activities of RBFS involve or are conducted on behalf of the Company. The Company has determined it is the primary beneficiary of RBFS as it is part of a related party group that has the power to direct the activities that most significantly impact RBFS's economic performance, and although no individual member of that group has such power, the Company represents the member of the related party group that is most closely associated with RBFS.

The Company and the non-controlling interest ("NCI") holders each hold options pursuant to which the Company may acquire, or be required to acquire, the NCI holders' 49% interest in RBFS. These call and put options became exercisable on April 6, 2016. As a result of the existence of the put option, the NCI is accounted for as a contingently redeemable equity instrument (the "contingently redeemable NCI").

At all reporting periods presented, the Company determined that redemption was probable and measured the carrying value of the contingently redeemable NCI at its estimated redemption value. The NCI can be redeemed at a purchase price to be determined through an independent appraisal process conducted in accordance with the terms of the agreement, or at a negotiated price (the "redemption value") and therefore, the redemption value on exercise may materially differ from the redemption value as at March 31, 2016. The Company has the option to elect to pay the purchase price in either cash or shares of the Company, subject to the Company obtaining all relevant security exchange and regulatory consents and approvals.

The redemption value of the contingently redeemable NCI was estimated to be $41,444,000 at March 31, 2016. During the first quarter of 2016, the Company commenced price negotiations with the NCI holders, which are still in progress. As a result, the Company has recorded the contingently redeemable NCI at the estimated redemption value based on the status of these negotiations.

The estimation of redemption value required management to make significant judgments, estimates, and assumptions as of the reporting date.

(Tabular amounts expressed in thousands of United States dollars, except where noted)

10. Earnings per share attributable to stockholders

Three months ended March 31, 2016		Net income attributable to stockholders	Shares		Per share amount
Basic	$	29,406	106,917,280	$	0.28
Effect of dilutive securities: Stock options		-	241,730		(0.01)
Diluted	$	29,406	107,159,010	$	0.27

Three months ended March 31, 2015		Net income attributable to stockholders	Shares		Per share amount
Basic	$	23,777	107,484,944	$	0.22
Effect of dilutive securities: Stock options		-	323,004		-
Diluted	$	23,777	107,807,948	$	0.22

For the quarter ended March 31, 2016, stock options to purchase 2,980,470 common shares were outstanding but were excluded from the calculation of diluted earnings per share as they were anti-dilutive (2015: 438,358).

11. Supplemental cash flow information

Three months ended March 31,		2016		2015
Restricted cash	$	(31,661)	$	(35,335)
Trade and other receivables		(67,653)		(51,577)
Inventory		30,476		13,839
Advances against auction contracts		1,048		18,301
Prepaid expenses and deposits		278		(823)
Income taxes receivable		(6,097)		(431)
Auction proceeds payable		184,437		149,813
Trade and other payables		4,113		(15,001)
Income taxes payable		(12,305)		(4,910)
Share unit liabilities		(2,358)		741
Other		(5,545)		2,792
Net changes in operating assets and liabilities	$	94,733	$	77,409

(Tabular amounts expressed in thousands of United States dollars, except where noted)

11. Supplemental cash flow information (continued)

Three months ended March 31,		2016		2015
Interest paid, net of interest capitalized	$	1,393	$	1,302
Interest received		498		847
Net income taxes paid		27,172		15,551
Non-cash transactions:				
Non-cash purchase of property, plant and equipment under capital lease		361		-

12. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement or disclosure:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

		March 31, 2016				December 31, 2015			
	Category		Carrying amount		Fair value		Carrying amount		Fair value
Fair vales disclosed, recurring:									
Cash and cash equivalents	Level 1	$	294,074	$	294,074	$	210,148	$	210,148
Restricted cash	Level 1		117,944		117,944		83,098		83,098
Short-term debt (note 19)	Level 2		42,504		42,504		12,350		12,350
Current portion of long- term debt (note 19)	Level 2		46,132		46,132		43,348		43,348
Long-term debt (note 19)	Level 2		56,143		58,318		54,567		56,126

The carrying value of the Company‘s cash and cash equivalents, restricted cash, trade and other current receivables, advances against auction contracts, auction proceeds payable, trade and other payables, and current borrowings approximate their fair values due to their short terms to maturity.

The fair values of non-current borrowings are determined through the calculation of each liability‘s present value using market rates of interest at period close .

(Tabular amounts expressed in thousands of United States dollars, except where noted)

13. Inventory

At each period end, inventory is reviewed to ensure that it is recorded at the lower of cost and net realizable value. No write down was recorded during the three months ended March 31, 2016 (2015: $60,000).

Of inventory held at March 31, 2016, 94% is expected to be sold prior to the end of July 2016, with the remainder to be sold by the end of October 2016 (December 31, 2015: 91% sold by the end of March 2016 with the remainder to be sold by the end of June 2016).

14. Assets held for sale

Balance, December 31, 2015	$	629
Other		2
Balance, March 31, 2016	$	631

As at March 31, 2016, the Company's assets held for sale consisted of land located in Denver, United States, and Orlando, United States, representing excess auction site acreage. Management made the strategic decision to sell this excess acreage to maximize the Company's return on invested capital. The properties are being actively marketed for sale through an independent real estate broker, and management expects the sales to be completed within 12 months of March 31, 2016. These land assets belong to the Core Auction reportable segment.

15. Property, plant and equipment

As at March 31, 2016		Cost		Accumulated depreciation		Net book value
Land and improvements	$	366,245	$	(57,091)	$	309,154
Buildings		260,840		(86,215)		174,625
Yard and automotive equipment		60,222		(39,401)		20,821
Computer software and equipment		64,900		(55,458)		9,442
Office equipment		23,204		(16,457)		6,747
Leasehold improvements		21,731		(12,870)		8,861
Assets under development		6,214		-		6,214
	$	803,356	$	(267,492)	$	535,864

As at December 31, 2015		Cost		Accumulated depreciation		Net book value
Land and improvements	$	356,905	$	(54,551)	$	302,354
Buildings		254,760		(82,100)		172,660
Yard and automotive equipment		59,957		(38,848)		21,109
Computer software and equipment		60,586		(50,754)		9,832
Office equipment		22,432		(15,660)		6,772
Leasehold improvements		20,893		(12,160)		8,733
Assets under development		7,131		-		7,131
	$	782,664	$	(254,073)	$	528,591

(Tabular amounts expressed in thousands of United States dollars, except where noted)

16. Intangible assets

As at March 31, 2016		Cost		Accumulated amortization		Net book value
Trade names and trademarks	$	5,011	$	-	$	5,011
Customer relationships		32,929		(7,724)		25,205
Software		29,555		(7,898)		21,657
Software under development		13,527		-		13,527
	$	81,022	$	(15,622)	$	65,400

As at December 31, 2015		Cost		Accumulated amortization		Net book value
Trade names and trademarks	$	800	$	-	$	800
Customer relationships		22,800		(7,097)		15,703
Software		23,269		(5,848)		17,421
Software under development		13,049		-		13,049
	$	59,918	$	(12,945)	$	46,973

During the three months ended March 31, 2016, interest of $80,000 (2015: $301,000) was capitalized to the cost of software under development. These interest costs relating to qualifying assets are capitalized at a weighted average rate of 6.39% (2015: 6.39%).

17. Goodwill

Balance, December 31, 2015	$	91,234
Additions (note 23)		19,321
Foreign exchange movement		1,014
Balance, March 31, 2016	$	111,569

18. Equity-accounted investments

The Company holds a 48% share interest in a group of companies detailed below (together, the Cura Classis entities), which have common ownership. The Cura Classis entities provide dedicated fleet management services in three jurisdictions to a common customer unrelated to the Company. The Company has determined the Cura Classis entities are variable interest entities and the Company is not the primary beneficiary, as it does not have the power to make any decisions that significantly affect the economic results of the Cura Classis entities. Accordingly, the Company accounts for its investments in the Cura Classis entities following the equity method.

18. Equity accounted investments (continued)

A condensed summary of the Company's investments in and advances to equity-accounted investees are as follows (in thousands of U.S. dollars, except percentages):

	Ownership percentage	March 31, 2016	December 2015
Cura Classis entities	48%	$ 4,081	$ 3,487
Other equity investments	32%	3,000	3,000
		7,081	6,487

As a result of the Company’s investments, the Company is exposed to risks associated with the results of operations of the Cura Classis entities. The Company has no other business relationships with the Cura Classis entities. The Company’s maximum risk of loss associated with these entities is the investment carrying amount.

19. Debt

	Carrying value	
	March 31, 2016	December 31, 2015
Short-term debt	$ 42,504	$ 12,350
Long-term debt:		
Term loan, denominated in Canadian dollars, unsecured, bearing interest at 4.225%, due in quarterly installments of interest only, with the full amount of the principal due in May 2022.	26,143	24,567
Term loan, denominated in United States dollars, unsecured, bearing interest at 3.59%, due in quarterly installments of interest only, with the full amount of the principal due in May 2022.	30,000	30,000
Term loan, denominated in Canadian dollars, unsecured, bearing interest at 6.385%, due in quarterly installments of interest only, with the full amount of the principal due in May 2016.	46,132	43,348
	102,275	97,915
Total debt	$ 144,779	$ 110,265
Total long-term debt:		
Current portion	$ 46,132	$ 43,348
Non-current portion	56,143	54,567
	$ 102,275	$ 97,915

At March 31, 2016, the current portion of long-term debt consisted of a Canadian dollar 60,000,000 term loan under the Company’s uncommitted, revolving credit facility. The Company refinanced this term loan on a long-term basis when it fell due on May 4, 2016 by drawing on its committed, revolving credit facility.

(Tabular amounts expressed in thousands of United States dollars, except where noted)

19. Debt (continued)

Short-term debt at March 31, 2016 is comprised of drawings in different currencies on the Company's committed revolving credit facilities of $314,019,000 (December 31, 2015: $312,693,000), and have a weighted average interest rate of 2.00% (December 31, 2015: 1.82%).

20. Equity and dividends

Share capital

Preferred stock

Unlimited number of senior preferred shares, without par value, issuable in series.
Unlimited number of junior preferred shares, without par value, issuable in series.
All issued shares are fully paid. No preferred shares have been issued.

Share repurchase

During March 2016, 1,460,000 common shares (2015: 1,900,000) were repurchased at a weighted average share price of $25.16 (2015: $24.98) per common share. The repurchased shares were cancelled on March 15, 2016 (2015: March 26, 2015).

Dividends

Declared and paid

The Company declared and paid the following dividends during the three months ended March 31, 2016 and 2015:

	Declaration date	Dividend per share	Record date	Total dividends	Payment date
Fourth quarter 2015	January 15, 2016	$ 0.1600	February 12, 2016	$ 17,154	March 4, 2016
Fourth quarter 2014	January 12, 2015	$ 0.1400	February 13, 2015	$ 15,089	March 6, 2015

Declared and undistributed

Subsequent to March 31, 2016, the Company's Board of Directors declared a quarterly dividend of $0.16 cents per common share, payable on June 14, 2016 to stockholders of record on May 24, 2016. This dividend payable has not been recognized as a liability in the financial statements. The payment of this dividend will not have any tax consequence for the Company.

Foreign currency translation reserve

Foreign currency translation adjustments for the three months ended March 31, 2016 include intra-entity foreign currency transactions that are of a long-term investment nature which generated gains of $8,882,000 (2015: losses of $14,453,000)

21 Share-based payments

Share-based payments consist of the following compensation costs recognized in selling, general and administrative expenses:

Three months ended March 31,	2016	2015
Stock option compensation expense	$ 1,070	$ 723
Share unit expense	1,272	1,017
Employee share purchase plan - employer contributions	353	308
	$ 2,695	$ 2,048

(Tabular amounts expressed in thousands of United States dollars, except where noted)

21. Share-based Payments (continued)

Stock option plan

The Company has a stock option plan that provides for the award of stock options to selected employees, directors and officers of the Company.

Stock option activity for the three months ended March 31, 2016, and the year ended December 31, 2015 is presented below:

	Common shares under option		Weighted average exercise price	Weighted average remaining contractual life (in years)		Aggregate intrinsic value
Outstanding, December 31, 2014	3,897,791		22.09			
Granted	880,706		25.50			
Exercised	(1,412,535)		21.11		$	9,426
Forfeited	(89,884)		23.10			
Outstanding, December 31, 2015	3,276,078		23.40			
Granted	1,208,121		24.07			
Exercised	(145,190)		20.88		$	632
Forfeited	(47,968)		24.49			
Outstanding, March 31, 2016	4,291,041	$	23.67	7.7	$	14,985
Exercisable, March 31, 2016	2,077,964	$	22.74	5.8	$	9,028

The fair value of the stock option grants was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

	2016	2015
Risk free interest rate	1.2%	1.8%
Expected dividend yield	2.68%	2.21%
Expected lives of the stock options	5 years	5 years
Expected volatility	26.5%	25.9%

Risk free interest rate is the US Treasury Department five year treasury yield curve rate on the date of the grant. Expected dividend yield assumes a continuation of the most recent quarterly dividend payments. Expected life of options is based on the age of the options on the exercise date over the past five years. Expected volatility is based on the historical common share price volatility over the past five years.

The compensation expense arising from option grants is amortized over the relevant vesting periods of the underlying options. As at March 31, 2016, the unrecognized stock-based compensation cost related to the non-vested stock options was $8,107,000, which is expected to be recognized over a weighted average period of 2.9 years.

(Tabular amounts expressed in thousands of United States dollars, except where noted)

21. Share-based Payments (continued)

Share unit plans

The Company has two performance share unit ("PSU") plans, a senior executive PSU plan and an employee PSU plan. Under the plans, the number of PSUs that vest is conditional upon specified market and non-market vesting conditions being met.

The Company also has restricted share units ("RSUs") and deferred share units ("DSUs") plans which are not subject to market vesting conditions. RSU and DSU fair values are estimated using the 20-day volume weighted average price of the Company's common shares listed on the New York Stock Exchange. DSUs are granted under the DSU plan to members of the Board of Directors.

Share units activity for the three months ended March 31, 2016, and the year ended December 31, 2015 is presented below:

	Performance share units		Restricted share units		Deferred share units	
	Number	WA grant date fair value	Number	WA grant date fair value	Number	WA grant date fair value
Outstanding, December 31, 2014	238,573	$ 23.38	403,587	$ 22.32	42,289	$ 22.33
Granted	218,699	24.57	20,528	26.38	29,072	26.07
Vested and settled	(6,870)	22.22	(28,887)	22.53	(13,365)	22.34
Forfeited	(28,817)	23.23	(62,274)	21.56	-	-
Outstanding, December 31, 2015	421,585	24.03	332,954	22.70	57,996	24.21
Granted	244,536	23.19	2,214	23.33	5,749	23.40
Vested and settled	(28,543)	22.20	(124,226)	22.11	-	-
Forfeited	(28,691)	22.52	(8,127)	22.58	-	-
Outstanding, March 31, 2016	608,887	$ 23.85	202,815	$ 23.07	63,745	$ 24.14

These PSUs are subject to market vesting conditions and their fair value at grant date was estimated using a binomial model with the following assumptions:

	2016	2015
Risk free interest rate	1.2%	1.3%
Expected dividend yield	2.49%	2.17%
Expected lives of the PSUs	3 years	3 years
Expected volatility	29.9%	29.4%
Average expected volatility of comparable companies	37.0%	32.8%

Employee share purchase plan

The Company has an employee share purchase plan that allows all employees that have completed 60 days of service to contribute funds to purchase common shares at the current market value at the time of share purchase. Employees may contribute up to 4% of their salary. The Company will match between 50% and 100% of the employee's contributions, depending on the employee's length of service with the Company.

22. Contingencies

Legal and other claims

The Company is subject to legal and other claims that arise in the ordinary course of its business. The Company does not believe that the results of these claims will have a material effect on the Company's balance sheet or income statement.

Guarantee contracts

In the normal course of business, the Company will in certain situations guarantee to a consignor a minimum level of proceeds in connection with the sale at auction of that consignor's equipment.

At March 31, 2016 there was $85,128,000 of industrial assets guaranteed under contract, of which 100% is expected to be sold prior to the end July 2016 (December 31, 2015: $25,267,000 of which 100% is expected to be sold prior to the end of May 2016).

At March 31, 2016 there was $34,241,000 of agricultural assets guaranteed under contract, of which 100% is expected to be sold prior to the end of August 2016 (December 31, 2015: $30,509,000 of which 100% is expected to be sold prior to the end of August 2016).

The outstanding guarantee amounts are undiscounted and before estimated proceeds from sale at auction.

23. Business combination

(a) Mascus acquisition

On February 19, 2016 (the "Mascus Acquisition Date"), the Company acquired 100% of the issued and outstanding shares of Mascus International Holdings BV ("Mascus"), for cash consideration of €26,569,000 (US $29,597,000). In addition to cash consideration, €3,080,000 (US $3,432,000) is consideration contingent on Mascus achieving certain operating performance targets over next three-year period following the acquisition. Mascus is based in Amsterdam and provides an online equipment listing service for used heavy machines and trucks. The acquisition expands the breadth and depth of equipment disposition and management solutions the Company can offer its customers.

The acquisition was accounted for in accordance with ASC 805. The assets acquired and liabilities assumed were recorded at their estimated fair values at the Mascus Acquisition Date. Goodwill of $19,321,000 was calculated as the fair value of consideration over the estimated fair value of the net assets acquired.

(Tabular amounts expressed in thousands of United States dollars, except where noted)

23. Business combination (continued)
(a) Mascus acquisition (continued)

Mascus provisional purchase price allocation

		February 19, 2016
Purchase price	$	29,597
Fair value of contingent consideration		3,432
Non-controlling interest (1)		488
Total fair value at Mascus Acquisition Date		33,517
Fair value of assets acquired:		
Cash and cash equivalents	$	1,785
Trade and other receivables		1,290
Prepaid expenses		453
Property, plant and equipment		104
Intangible assets (2)		14,817
Fair value of liabilities assumed:		
Trade and other payables		1,533
Other non-current liabilities		37
Deferred tax liabilities		2,683
Fair value of identifiable net assets acquired		14,196
Goodwill acquired on acquisition	$	19,321

(1) The Company acquired 100% of Mascus and within the Mascus group of entities there are two subsidiaries that are not wholly-owned. As such, the Company acquired non-controlling interests. The fair value of the non-controlling interest was determined using an income approach based on entity cash flows attributable to non-controlling interest.

(2) Intangible assets consist of customers relationships with an amortization period of 17 years and trade names with indefinite lives.

The amounts included in the Mascus provisional purchase price allocation are preliminary in nature and are subject to adjustment as additional information is obtained about the facts and circumstances that existed as of the Mascus Acquisition Date. The final determination of the fair values of certain assets and liabilities will be completed within the measurement period of up to one year from the Mascus Acquisition Date. Adjustments to the preliminary values during the measurement period will be recorded in the operating results of the period in which the adjustments are determined. Changes to the amounts recorded as assets and liabilities will result in a corresponding adjustment to goodwill.

23. Business combination (continued)
(a) Mascus acquisition (continued)

Goodwill
Goodwill has been allocated entirely to the Mascus reporting unit based on an analysis of the fair value of assets acquired. The main drivers generating goodwill are the anticipated synergies from (1) the Company's core auction expertise and transactional capabilities to Mascus' existing customer base, and (2) Mascus' providing existing technology to the Company's current customer base. Other factors generating goodwill include the acquisition of Mascus' assembled work force and their associated technical expertise.

Contributed revenue and net income
The results of Mascus' operations are included in these condensed consolidated financial statements from Mascus' Acquisition Date. For the period from February 19, 2016 to March 31, 2016 Mascus' contribution to the Company's revenues was $1,268,000. Mascus' contribution to net income from February 19, 2016 to March 31, 2016 was insignificant. Pro forma results of operations have not been presented as such pro forma financial information would not be materially different from historical results.

Contingent Consideration
The Company may pay an additional amount not exceeding €3,080,000 (US$3,432,000) contingent upon the achievement of certain operating performance targets over the next three-year period. The Company has recognized a liability equal to the estimated fair value of the contingent payments the Company expects to make as of the acquisition date. The Company will re-measure this liability each reporting period and record changes in the fair value in the consolidated income statement.

Transactions recognized separately from the acquisition of assets and assumptions of liabilities
Acquisition-related costs
Expenses totalling $717,500 for legal and other acquisition-related costs are included in the consolidated income statement for the period ended March 31, 2016.

Employee compensation in exchange for continued services
The Company may pay additional amounts not exceeding €1,625,000 (US$1,849,000) over three-year periods based on key employees' continuing employment with Mascus .

(b) Xcira acquisition
On November 4, 2015 (the "Xcira Acquisition Date"), the Company acquired 75% of the issued and outstanding shares of Xcira LLC ("Xcira") for cash consideration of $12,359,000. The remaining 25% interests remain with the two founders of Xcira. Xcira is a Florida-based company, incorporated in the United States and its principal activity is the provision of software and technology solutions to auction companies. By acquiring Xcira, the Company acquired information technology capability and platform to build on its strong online bidding customer experience, and further differentiate itself from other industrial auction companies.

The Company has the option to buy out the remaining interest of the Xcira sellers subject to the terms of the Xcira Purchase Agreement. The acquisition was accounted for in accordance with ASC 805. The assets acquired, liabilities assumed, and the non-controlling interest were recorded at their estimated fair values at the Xcira Acquisition Date. Full goodwill of $10,659,000 was calculated as the fair value of consideration over the estimated fair value of the net assets acquired.

(Tabular amounts expressed in thousands of United States dollars, except where noted)

23. Business combination (continued)
(b) Xcira acquisition (continued)

Xcira final purchase price allocation

		November 4, 2015
Purchase price	$	12,359
Non-controlling interest		4,119
Total fair value at Xcira acquisition date		16,478
Assets acquired:		
Cash and cash equivalents	$	252
Trade and other receivables		1,382
Prepaid expenses		62
Property, plant and equipment		314
Other non-current assets		11
Intangible assets ~		4,300
Liabilities assumed:		
Trade and other payables		502
Fair value of identifiable net assets acquired		5,819
Goodwill acquired on acquisition	$	10,659

~Consists of existing technology and customer relationships with an amortization life of five and 20 years, respectively

There was no contingent consideration under the terms of the acquisition, and as such no acquisition provisions were created.

Assets acquired and liabilities assumed
At the date of acquisition, the carrying values of the assets and liabilities acquired approximated their fair values, except intangible assets, whose fair values were determined using appropriate valuation techniques.

Goodwill
Goodwill has been allocated entirely to the Company's Core Auction segment and based on an analysis of the fair value of assets acquired. The main drivers generating goodwill are the Company's ability to utilize Xcira's experience to differentiate the Company's online bidding service from other industrial auction companies, as well as to secure Xcira's bidding technology. Online bidding represents a significant and growing portion of all bidding conducted at the Company's auctions.

Non-controlling interests
The fair value of the 25% non-controlling interest in Xcira is estimated to be $4,119,000.

Contributed revenue and net loss
The results of Xcira's operations are included in these condensed consolidated financial statements from the date of acquisition. For the three months ended March 31, 2016, Xcira's contribution to the Company's revenues and net income were $1,251,000 and $469,000, respectively. Pro forma results of operations have not been presented as such pro forma financial information would not be materially different from historical results.

23. Business combination (continued)
(b) Xcira acquisition (continued)

Future development of internally-generated software
The Company may pay an additional amount not exceeding $2,700,000 over a two-year period upon achievement of certain conditions related to the delivery of an upgrade to its existing technology.

Employee compensation in exchange for continued services
The Company may pay an additional amount not exceeding $2,000,000 over a three-year period based on the Founder's continuing employment with Xcira .

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

About Us

Ritchie Bros. Auctioneers Incorporated ("Ritchie Bros.", the "Company", "we", or "us") (NYSE & TSX: RBA) is the world leader for the exchange of used equipment. Our expertise, global reach, market insight and trusted brand provide us with a unique and leading position in the used equipment market. We primarily sell equipment for our customers through unreserved auctions held on a worldwide basis. In addition, during 2013 we launched EquipmentOne, an online used equipment marketplace, to reach a broader customer base. These two complementary exchange solutions provide different value propositions to equipment owners and allow us to meet the needs and preferences of a wide spectrum of equipment sellers.

Ritchie Bros. focuses on the sale of heavy machinery. Through our unreserved auctions and online marketplaces, we sell a broad range of used and unused industrial assets, including equipment and other assets used in the construction, agricultural, transportation, energy, mining, forestry, material handling and marine industries. The majority of the assets sold through our sales channels represent construction machinery.

We operate from 44 permanent and regional auction sites in over 15 countries worldwide. Our world headquarters are located in Burnaby, Canada.

On November 4, 2015, we acquired a 75% interest in Xcira LLC ("Xcira"), a Florida-based company specializing in software and technology solutions related to online auction bidding and sales. Ritchie Bros. was one of Xcira's first customers, and has worked very closely with Xcira over the past 14 years to customize Xcira's solutions to meet our needs. Xcira primarily operates in the industrial auction space, but also offers solutions to auto, art, and other luxury item auctioneers.

On February 19, 2016, we acquired a 100% interest in Mascus International Holding BV ("Mascus"), an Amsterdam-based company that operates a global online portal for the sale and purchase of heavy equipment and vehicles, with the largest online market presence in Europe for heavy machinery and trucks. Mascus offers subscriptions to equipment dealers, brokers, exporters and equipment manufacturers to list equipment available for sale. In addition to online listing services, they also provide online advertising services, business tools, and other software solutions to many of the world's leading equipment dealerships and equipment manufacturers. Founded in Scandinavia, Mascus has grown rapidly over the past 15 years and now includes operations across Europe, Asia, Africa, and North America, catering to the construction, transport, agriculture, material handling, forestry, and grounds-care industries.

Overview

The following discussion and analysis summarizes significant factors affecting our consolidated operating results and financial condition for the three months ended March 31, 2016 and 2015. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those expressed or implied in any forward-looking statements as a result of various factors, including those set forth under "Part I, Item 1A: Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015, which is available on our website at *www.rbauction.com* , on EDGAR at *www.sec.gov* , or on SEDAR at *www.sedar.com* .

This discussion and analysis should be read in conjunction with the "Cautionary Note Regarding Forward-Looking Statements" and the consolidated financial statements and the notes thereto included in "Part I, Item 1: Consolidated Financial Statements" of this Form 10-Q. The following discussion should also be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2015. None of the information on our website, EDGAR, or SEDAR is incorporated by reference into this document by this or any other reference.

We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles (“US GAAP”). Except for Gross Auction Proceeds (“GAP”) and Gross Transaction Value (“GTV”) (both described below), which are measures of operational performance and not measures of financial performance, liquidity, or revenue, the amounts discussed below are based on our consolidated financial statements and are presented in United States (“U.S.”) dollars. Unless indicated otherwise, all tabular dollar amounts, including related footnotes, presented below are expressed in thousands of dollars.

We make reference to various non-GAAP performance measures throughout this discussion and analysis. These measures do not have a standardized meaning, and are therefore unlikely to be comparable to similar measures presented by other companies.

Consolidated Highlights
Key first quarter 2016 financial results include:

- Record first quarter GAP of over $1 billion, a 7% increase over first quarter 2015, with 9% growth calculated in local currencies
- Revenues grew 14% over first quarter 2015 and Revenue Rate (as described below) increased 84 basis points to 12.94%, driven mostly by strong performance of our straight commission contracts and growing fee-based revenue streams
- Operating income margin of 29.7% increased 120 basis points reflecting increases in Revenue Rate and controlled operating costs
- We achieved diluted earnings per share (“EPS”) attributable to stockholders of $0.27, an increase of 23% over first quarter 2015
- Net cash flows provided by operating activities were $134.0 million
- We returned $53.9 million to stockholders through dividends and share repurchases

Strategy
The following discussion highlights how we acted on the three main drivers to our strategy during the first quarter of 2016.

GROW Revenues and Net Income
Our revenues are comprised of:

- commissions earned at our auctions where we act as an agent for consignors of equipment and other assets, as well as commissions on online marketplace sales; and
- fees earned in the process of conducting auctions through all our auction channels and from value-added services, as well as subscription revenues from our listing and software services.

Commissions from sales at our auctions represent the percentage we earn on GAP. GAP represents the total proceeds from all items sold at our auctions and the GTV of all items sold through our online marketplaces [1] . GTV represents total proceeds from all items sold at our online marketplaces, as well as a buyers’ premium component applicable only to our online marketplace transactions. The majority of commissions are earned as a pre-negotiated fixed rate of the gross selling price. Other commissions are earned from underwritten commission contracts, when we guarantee a certain level of proceeds to a consignor or purchase inventory to be sold at auction. We believe that revenues are best understood by considering their relationship to GAP. We use Revenue Rate, which is calculated by dividing revenues by GAP, to determine the amount of GAP changes that flow through to our revenues.

1 GAP and GTV are measures of operational performance and are not measures of our financial performance, liquidity or revenue. GAP and GTV are not presented in our consolidated income statements. We believe that comparing GAP and GTV for different financial periods provides useful information about the growth or decline of our revenue and net income for the relevant financial period.

We achieved a record level of first quarter revenues in 2016, primarily as a result of an increase in GAP combined with a strong Revenue Rate compared to 2015. Changes in our Revenue Rate are driven by fluctuations in the commissions we charge on GAP and our fee revenues, which are not directly linked to GAP. The increase in Revenue Rate in the first quarter of 2016 compared to the first quarter of 2015 was primarily the result of the performance of our commission contracts combined with an increase in fee revenues.

We continued to see foreign currency exchange rates negatively impacting our GAP and revenues in the first quarter of 2016 compared to the first quarter of 2015, primarily due to the declining value of the Canadian dollar and the Euro relative to the U.S. dollar, but ultimately having an insignificant impact on operating income as a result of the partially mitigating natural hedge we experience between our foreign-currency denominated revenues and operating expenses.

On a U.S. dollar basis, we continued to see growth in the proportion of GAP earned in Canada (23% of total GAP in the first quarter of 2016 compared to 19% for first quarter 2015), which is consistent with our focus on driving geographic depth in our existing geographies. The proportion of revenues attributable to Canada also grew by 400 basis points in the first quarter of 2016 compared to the first quarter of 2015.

On February 19, 2016, we acquired Mascus, a leading global online equipment listing service. The acquisition expands the breadth of equipment disposition and management solutions we can offer our customers. Mascus operates a vibrant online equipment listing service with over 360,000 items for sale and 3.2 million monthly website visits across 58 countries and in 42 languages. The business also provides equipment sellers with a turn-key suite of business tools and software solutions. Mascus customers will benefit from our deep equipment experience and extensive global buying audience, providing further global exposure for Mascus equipment listings.

Our call option to acquire the 49% non-controlling interest (“NCI”) in Ritchie Bros. Financial Services (“RBFS”), a variable interest entity in which we are the primary beneficiary, became exercisable on April 6, 2016. RBFS’ accounts are included in our consolidated financial statements, with the NCI presented as contingently redeemable NCI and carried at redemption value. Significant judgments and estimates are involved in determining the redemption value, which was $41.4 million on March 31, 2016.

DRIVE Efficiencies and Effectiveness

During the first quarter of 2016, we initiated a revision to our short-term incentive plans for all management levels. This revision simplified the plans to focus on three rather than four financial measures. For directors and above, the revision prioritizes financial measures above individual goals, with a minimum of 70% of the short-term incentive based on financial results, as opposed to a 50% minimum. We believe that such a shift will better align employee incentives with our objective of increasing shareholder value.

In addition, we announced the following appointments, which improved the alignment of our organizational structure:

- Becky Alseth as Acting Chief Marketing Officer effective January 4, 2016
- Marianne Marck as Chief Information Officer effective April 18, 2016

During the first quarter of 2016, we continued to be diligent in our valuations and methodology as it pertains to sectors that continue to experience pressure, including oil and gas and mining, in order to compete effectively and grow the business in those sectors.

OPTIMIZE our Balance Sheet

On March 1, 2016, we were granted approval of a new normal course issuer bid by the Toronto Stock Exchange (“TSX”), to allow us to continue pursuing share repurchases through both the New York Stock Exchange and the TSX. We intend to continue using our share repurchase program to primarily neutralize dilution from options. In March 2016, we repurchased 1.46 million of our common shares at a total cost of $36.7 million in order to address option dilution, consistent with our capital allocation priorities.

Also during the first quarter of 2016, we paid dividends of $17.2 million to our stockholders. In total we returned $53.9 million to our stockholders as we executed on our capital allocation strategy during the first quarter of 2016. We also managed our net capital spending such that it remains well below our target of 10% of our revenues on a rolling 12-month basis.

Used Equipment Market Update

Overall, the used equipment market was stable through the first quarter of 2016. However, pricing remained lower than the used equipment valuation peak that occurred in the first quarter of 2015. We continued to see performance vary among asset classes. In particular, pricing for dump trucks and certain cranes was strong in the first quarter of 2016. Comparatively, there was an excess of transportation assets, especially in North America, during the three months ended March 31, 2016. That fleet turnover increase equated to some price deterioration for transportation assets in the first quarter of 2016. Also, oil and gas specific assets and assets tied to commodities, such as mining assets, continued to face price deterioration in the first three months of 2016.

Overall, we continued to see an improvement in the overall age of equipment coming to market relative to recent years; a trend that we believe results from the increase in Original Equipment Manufacturer production that began in 2010 and is generating more transactions in the current used equipment marketplace, as well as creating larger pools of used equipment for future transactions. We continue to closely monitor new equipment production models, dealer and rental sales performance, and pricing actions in light of pressures in the broader industrial equipment sector.

In terms of equipment values, North America was our strongest geographical region in the first quarter of 2016, responding most favorably to changes in its overall economic environment, including, but not limited to, softening of the oil and gas and mining sectors, and stabilization in the residential and non-residential construction sectors.

Results of Operations

Financial overview

(in U.S.$000's, except EPS)	Three months ended March 31, 2016	2015	% Change 2016 over 2015
Revenues	$ 131,945	$ 115,618	14%
Costs of services, excluding depreciation and amortization	15,313	11,609	32%
Selling, general and administrative expenses	68,307	63,756	7%
Depreciation and amortization expenses	10,080	10,616	(5)%
Gain on disposal of property, plant and equipment	(246)	(175)	41%
Foreign exchange gain	(683)	(3,207)	(79)%
Operating income	39,174	33,019	19%
Other income	352	524	(33)%
Income tax expense	9,532	9,433	1%
Net income attributable to stockholders	29,406	23,777	24%
Diluted EPS attributable to stockholders	$ 0.27	$ 0.22	23%
Effective tax rate	24.1%	28.1%	(14)%
GAP	$ 1,019,922	$ 955,561	7%
Revenue Rate	12.94%	12.10%	7%

Gross Auction Proceeds

GAP was $1.0 billion for the three months ended March 31, 2016, a first quarter record and a 7% increase over the first quarter of 2015. Included in our first quarter 2016 GAP is $23.7 million of GTV from our online marketplaces, which represents a 9% increase over GTV of $21.8 million in the first quarter of 2015. The increase in GAP is primarily due to an increase in the number of core auction lots year-over-year. The total number of lots at industrial and agricultural auctions grew 28%, increasing to 97,200 in the first quarter of 2016 from 75,800 in the first quarter of 2015. However, core auction GAP decreased 16% on a per-lot basis to $10,300 in the first quarter of 2016 from $12,300 in the first quarter of 2015.

GAP, on a U.S. dollar basis, grew in Canada in the first quarter of 2016 compared to the first quarter of 2015. However, this growth was partially offset by reductions in GAP in the United States and Europe over the same comparative period. GAP in the rest of the world grew during the three months ended March 31, 2016 compared to the same period in 2015. First quarter 2016 GAP would have been $21.5 million higher, resulting in a 9% increase over first quarter 2015, if foreign exchange rates had remained consistent with those in 2015. This adverse effect on GAP is primarily due to the declining value of the Canadian dollar and the Euro relative to the U.S. dollar.

During the first quarter of 2016, we continued to actively pursue the use of underwritten commission contracts from a strategic perspective, entering into such contracts only when the risk/reward profile of the terms were agreeable. The volume of underwritten commission contracts decreased to 23% of our GAP in the first quarter of 2016 from 32% in the first quarter of 2015, primarily due to the underwritten contracts associated with the Casper, Wyoming, offsite auction that was held on March 25, 2015. Straight commission contracts continue to account for the majority of our GAP.

Revenues and Revenue Rate

(in U.S. $000's)	Three months ended March 31,		
			Better/(Worse)
	2016	2015	2016 over 2015
United States	$ 74,768	$ 72,658	3%
Canada	32,247	22,959	40%
Europe	11,543	11,049	4%
Other	13,387	8,952	50%
Revenues	$ 131,945	$ 115,618	14%

Our commission rate and overall Revenue Rate are presented in the graph below:

Quarterly commission rate and Revenue Rate five-year history (1)

(1) The revised administrative fee took effect on July 1, 2011.

The distribution of our revenues across the geographic regions in which we operate was as follows, where the geographic location of revenues corresponds to the location in which the sale occurred, or in the case of online sales, where the company earning the revenues is incorporated:

Revenue distribution	Canada	Outside of Canada	United States	Europe	Other
Three months ended March 31, 2016	24%	76%	57%	9%	10%
Three months ended March 31, 2015	20%	80%	63%	10%	7%

Revenues increased 14% in the first quarter of 2016 compared to the first quarter of 2015, primarily due to volume increases in GAP combined with a strong Revenue Rate. Included in first quarter 2016 revenues are $3.3 million of revenues from EquipmentOne, which represents a 12% increase over EquipmentOne revenues of $3.0 million in the first quarter of 2015.

Our Revenue Rate increased 84 basis points to 12.94% in the first quarter of 2016 compared to 12.10% in the first quarter of 2015, and our first quarter 2016 overall average commission rate was 9.78%, compared to 9.75% in the first quarter of 2015. These increases are primarily due to the performance of our straight commission contracts combined with an increase in fee revenue, which is not directly linked to GAP. Our underwritten contract commission rates and volume decreased in the first three months of 2016 compared to the same period in 2015.

Our fee revenue earned in the first quarter of 2016 represented 3.15% of GAP compared to 2.35% of GAP in the first quarter of 2015. The increase was primarily due to the mix of equipment sold at our auctions combined with an increase in financing and other fees resulting from the improved performance of our value-added services. Financing fees from RBFS increased 55% to $2.5 million in the first quarter of 2016 from $1.6 million in the first quarter of 2015. Mascus contributed $1.3 million of subscription, license, and other fee revenues in the first quarter of 2016. Xcira contributed $1.3 million of technology service fees in the first quarter of 2016.

Revenue grew in Canada in the first three months of 2016 compared to the same period in 2015, primarily as a result of increases in GAP and Revenue Rate in that region. We saw smaller growth in revenues in the United States in the first quarter of 2016 compared to the first quarter of 2015, primarily as a result of the success of our Casper, Wyoming, offsite auction that was held on March 25, 2015.

First quarter 2016 revenues would have been $3.0 million higher, resulting in a 17% increase over first quarter 2015, if foreign exchange rates had remained consistent with those in the same period in 2015.

Costs of services

Costs of services are comprised of expenses incurred in direct relation to conducting auctions (“direct expenses”), earning online marketplace revenues, and earning other fee revenues. Direct expenses include direct labour, buildings and facilities charges, and travel, advertising and promotion costs. Costs of services incurred to earn online marketplace revenues include inventory management, referral, inspection, sampling, and appraisal fees. Costs of services incurred in earning other fee revenues include direct labour (including commissions on sales), software maintenance fees, and materials.

Costs of services exclude depreciation, and amortization expenses. In comparative periods, costs of services consisted entirely of direct expenses. As a result of the Xcira and Mascus acquisitions, significant other costs of services are now incurred in earning our revenues.

Costs of services related to our Core Auction segment were $14.8 million, or 1.45% of GAP, in the first quarter of 2016. This compares to Core Auction segment costs of services of $11.6 million, or 1.21% of GAP, in the first quarter of 2015. The $3.2 million, or 27%, increase over this comparative period is primarily due to a strategic increase in advertising and promotional expenditure targeted at our larger auctions, including our five-day, premier global auction in Orlando, United States. Also contributing to the increase in Core Auction segment costs of services was an increase in the number of agricultural auctions and auctions at sites located in frontier regions, which are typically more costly to operate than auctions held at our permanent and regional auction sites, as well as the recognition of costs of services from Xcira of $0.7 million.

We held 51 auctions at our permanent and regional auction sites in the first quarter of 2016, compared to 48 in the first quarter of 2015. The proportion of GAP earned at those sites increased greatly over the same comparative period. During the first quarter of 2016, 93% of our GAP was attributable to auctions held at our permanent and regional auction sites, including those located in frontier regions, compared to 86% in the first quarter of 2015. We believe the targeted increase in advertising and promotional expenditure contributed to the increase in GAP.

EquipmentOne and Mascus contributed $0.4 million and $0.1 million, respectively, to our total costs of services in the first quarter of 2016. Costs of services generated by EquipmentOne have historically been insignificant and recorded within selling, general and administrative (“SG&A”) expenses.

Selling, general and administrative expenses

SG&A expenses by nature are presented below:

(in U.S. $000's)	Three months ended March 31,		% Change
			2016 over
	2016	2015	2015
Employee compensation	$ 44,490	$ 41,729	7%
Buildings, facilities and technology	11,236	10,046	12%
Travel, advertising and promotion	5,562	6,081	(9)%
Professional fees	3,452	3,100	11%
Other SG&A expenses	3,567	2,800	27%
	$ 68,307	$ 63,756	7%

Our SG&A expenses increased $4.6 million, or 7%, in the first quarter of 2016 compared to the first quarter of 2015, only half the rate of our revenue growth. Foreign exchange rates had a positive impact on SG&A expenses in the first quarter of 2016 as a significant portion of administration expenses are in Canada and the Netherlands. First quarter 2016 SG&A expenses would have been $2.7 million higher, resulting in an 11% increase over first quarter 2015, if foreign exchange rates had remained consistent with those in 2015.

Employee compensation expenses increased $2.8 million in the first quarter of 2016 compared to the first quarter of 2015. This increase included a positive effect from foreign exchange rates of $1.8 million. Removing foreign exchange impacts, the primary drivers of the increase in employee compensation were $2.2 million higher incentive compensation, 5% net growth of our headcount, annual merit increases, $0.9 million from Xcira, $0.7 million higher stock option compensation and share unit expenses, and $0.7 million from Mascus. Employee compensation expenses in the first quarter of 2015 included $2.1 million in termination benefits resulting from the Separation Agreement with our former Chief Sales Officer.

The increase in incentive compensation in the first quarter of 2016 compared to the first quarter of 2015 is a direct result of an increase in the bonus-eligible employee base, as well as the improved performance of the business and anticipated achievement of annual key performance metrics targets. The increase in share-based payment expenses over the same period is primarily due to an increase in the number of participants in the plans as a result of promotions and headcount increases (including new executives), as well as an increase in the fair value of our share units related to the performance of our common share price. Our share price closed at $27.08 per common share on March 31, 2016, compared to $24.94 per common share on March 31, 2015.

Buildings, facilities and technology costs increased $1.2 million in the first quarter of 2016 compared to the first quarter of 2015. This increase is primarily due to the fact that we had fewer software capitalization projects to which a portion of fixed, annual software license fees and other information technology costs were able to be capitalized to in the first quarter of 2016 compared to the first quarter of 2015. The reduction in the number of projects is a result of significant system transformation projects (in which legacy software systems were replaced or upgraded) having reached completion at the end of the first quarter of 2015, and controlled capital spending.

Included in first quarter 2016 SG&A expenses are $2.5 million of SG&A expenses from EquipmentOne, which decreased 21% over EquipmentOne SG&A expenses of $3.2 million in the first quarter of 2015, primarily due to certain expenses being recorded as costs of services in the first quarter of 2016 as compared to SG&A expenses in the first quarter of 2015, combined with an increase in capitalized wages related to the development of software assets.

Depreciation and amortization expenses
Our depreciation and amortization expenses decreased $0.5 million, or 5%, in the first three months of 2016 compared to the same period in 2015, primarily due to the positive impact of foreign exchange rate changes combined with assets related to our website development becoming fully depreciated in 2015. The positive impact from foreign exchange is primarily due to the declining value of the Canadian dollar and the Euro relative to the U.S. dollar.

Included in first quarter 2016 depreciation and amortization expenses are $0.6 million of EquipmentOne depreciation and amortization expenses, which represents a 30% decrease over EquipmentOne depreciation and amortization expenses of $0.9 million in the first quarter of 2015.

Foreign exchange gain and effect of exchange rate movement on income statement components
In the first quarter of 2016, approximately 38% of our revenues were denominated in currencies other than the U.S. dollar, compared to 32% in the first quarter of 2015. In the first quarters of 2016 and 2015, approximately 54% of our operating expenses were denominated in currencies other than the U.S. dollar.

Transactional impact of foreign exchange rates
We recognized $0.7 million of transactional foreign exchange gains in the first three months of 2016, compared to $3.2 million during the same period in 2015. Foreign exchange losses and gains are primarily the result of settlement of foreign-denominated monetary assets and liabilities.

Translational impact of foreign exchange rates
Since late 2014, there has been significant weakening of the Canadian dollar and the Euro relative to the U.S. dollar. This weakening has affected our reported operating income when non-U.S. dollar amounts were translated into U.S. dollars for financial statement reporting purposes.

The translational impact of foreign exchange rates on our results is presented below:

(in U.S. $000's)	Three months ended March 31,				
	2016, as reported	2016, using 2015 rates	Difference	2015, as reported	Organic % change
GAP	$ 1,019,922	$ 1,041,430	$ (21,508)	$ 955,561	9%
Revenues	131,945	134,896	(2,951)	$ 115,618	17%
Costs of services, excluding depreciation and amortization	15,313	15,553	(240)	11,609	34%
SG&A expenses	68,307	71,020	(2,713)	63,756	11%
Depreciation and amortization expenses	10,080	10,575	(495)	10,616	-
Gain on disposition of property, plant and equipment	(246)	(249)	3	(175)	42%
Foreign exchange gain	(683)	(692)	9	(3,207)	(78)%
Operating income	$ 39,174	$ 38,689	$ 485	$ 33,019	17%

(in U.S. $000's)	Three months ended March 31,				
	2015, as reported	2015, using 2014 rates	Difference	2014, as reported	Organic % change
GAP	$ 955,561	$ 1,008,439	$ (52,878)	$ 855,377	18%
Revenues	115,618	122,363	(6,745)	$ 98,588	24%
Costs of services, excluding depreciation and amortization	11,609	12,277	(668)	10,300	19%
SG&A expenses	63,756	68,404	(4,648)	59,972	14%
Depreciation and amortization expenses	10,616	11,416	(800)	10,597	8%
Gain on disposition of property, plant and equipment	(175)	(180)	5	(71)	154%
Foreign exchange gain	(3,207)	(3,221)	14	(1,291)	149%
Operating income	$ 33,019	$ 33,667	$ (648)	$ 19,081	76%

U.S. dollar exchange rate comparison

Value of one U.S. dollar	Three months ended March 31,		
	2016	2015	% Change 2016 over 2015
Period-end exchange rate			
Canadian dollar	$ 1.3005	$ 1.2685	3%
Euro	0.8787	0.9316	(6)%
Average exchange rate			
Canadian dollar	$ 1.3748	$ 1.2411	11%
Euro	0.9071	0.8890	2%

The majority of the change in the value of the U.S. dollar to the Canadian dollar and the Euro occurred during the first quarter of 2015. Since that time, the U.S. dollar continued a more moderate appreciation against the Canadian dollar.

Operating income

Operating income increased 19% to $39.2 million in the first quarter of 2016 compared to $33.0 million in the first quarter of 2015. Operating income margin, which is our operating income divided by revenues, increased to 29.7% in the first quarter of 2016 compared to 28.5% in the first quarter of 2015. These increases are primarily due to the GAP and revenue increases over the same comparative period, partially offset by increases in SG&A expenses and costs of services, and a decrease in foreign exchange gains.

First quarter 2016 operating income would have been $0.5 million lower, resulting in a 17% increase over first quarter 2015, if foreign exchange rates had remained consistent with those in the same period in 2015.

Adjusted results

We use income statement and balance sheet performance scorecards to align our operations with our strategic priorities. We concentrate on a limited number of metrics to ensure focus and to facilitate quarterly performance discussions.

Our income statement scorecard includes the non-GAAP measures, Adjusted Operating Income and Adjusted Operating Income Margin. We believe that comparing Adjusted Operating Income for different financial periods provides useful information about the growth or decline of operating income and net income for the relevant financial period, and eliminates the financial impact of items we do not consider to be part of our normal operating results. We believe that comparing Adjusted Operating Income Margin for different financial periods is the best indicator of how efficiently we translate revenues into pre-tax profit. Adjusted Operating Income Margin is also an element of the performance criteria for certain annual short-term incentive awards we grant to our employees and officers.

We calculate Adjusted Operating Income as operating income excluding the pre-tax effects of significant items that we do not consider to be part of our normal operating results such as management reorganization costs, severance, gains/losses on sale of certain property, plant and equipment, impairment losses, and certain other items, which we refer to as 'adjusting items'. We calculate Adjusted Operating Income Margin as Adjusted Operating Income divided by revenues.

There were no adjusting items during the three months ended March 31, 2016 and 2015.

Other income (expense)
Other income (expense) is comprised of the following:

(in U.S. $000's)	Three months ended March 31,		
			% Change
	2016	2015	2016 over 2015
Interest income	$ 498	$ 847	(41)%
Interest expense	(1,363)	(1,269)	7%
Equity income	519	233	123%
Other, net	698	713	(2)%
Other income	$ 352	$ 524	(33)%

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")
EBITDA and EBITDA Margin are non-GAAP measures that we believe provide useful information about the growth or decline of our net income when compared between different financial periods. EBITDA is also an element of the performance criteria for certain performance share units we granted to our employees and officers in 2013 and 2014. EBITDA is calculated by adding back depreciation and amortization expenses to operating income. EBITDA Margin presents EBITDA as a multiple of revenues.

The following table presents our EBITDA and EBITDA Margin results for the three months ended March 31, 2016 and 2015, as well as reconciles those metrics to operating income, depreciation and amortization expenses, and revenues, which are the most directly comparable GAAP measures in our consolidated income statements:

(in U.S.$000's)	Three months ended March 31,		
			% Change
	2016	2015	2016 over 2015
Operating income	$ 39,174	$ 33,019	19%
Depreciation and amortization expenses	10,080	10,616	(5)%
EBITDA	$ 49,254	$ 43,635	13%
Revenues	$ 131,945	$ 115,618	14%
EBITDA Margin	37.3%	37.7%	(1)%

The increase in EBITDA during the first quarter of 2016 compared to the first quarter 2015 is due to the same factors that increased operating income over the same comparative period, as discussed above. EBITDA Margin decreased slightly as a result of revenue growth outpacing EBITDA growth.

Our EBITDA increased $5.6 million in the first quarter of 2016 compared to the first quarter of 2015. If transactional foreign exchange gains were excluded from operating income, our EBITDA would have increased by $8.1 million, or 50% of the increase in revenues of $16.3 million. In other words, 50% of the change in our revenues would have 'flowed through' to EBITDA. Our reported results reflect the fact that the increase in revenues exceeded the increase in operating expenses, and was combined with a decrease in depreciation and amortization expenses in the first quarter of 2016 compared to the first quarter of 2015.

Adjusted results

Our balance sheet scorecard includes the performance metric, Debt/Adjusted EBITDA, which is a non-GAAP measure. We believe that comparing Debt/Adjusted EBIDTA on a 12-month rolling basis for different financial periods is a strong indicator of our leverage. We calculate Debt/Adjusted EBITDA by dividing debt by operating income excluding depreciation and amortization expenses and the effects of pre-tax adjusting items.

The following table presents our Debt/Adjusted EBITDA results as at and for the 12 months ended March 31, 2016 and 2015, as well as reconciles that metric to debt, operating income, and depreciation and amortization expenses, which are the most directly comparable GAAP measures in our consolidated financial statements:

(in U.S. $ millions)	As at and for the 12 months ended March 31,		
			% Change
	2016	2015	2016 over 2015
Short-term debt	$ 42.5	$ 7.6	459%
Long-term debt	102.3	104.1	(2)%
Debt	$ 144.8	$ 111.7	30%
Operating income	$ 181.0	$ 141.9	28%
Adjusting items:			
Management reorganization	-	5.5	(100)%
Gain on sale of excess property	(8.4)	(3.4)	146%
Impairment loss	-	8.1	(100)%
Adjusted Operating Income	$ 172.6	$ 152.1	13%
Depreciation and amortization expenses	41.5	44.6	(7)%
	$ 214.1	$ 196.7	9%
Debt/Adjusted EBITDA	0.7x	0.6x	17%

The increase in our Debt/Adjusted EBITDA multiple is primarily the result of an increase in short-term debt as at March 31, 2016 compared to March 31, 2015, which was primarily to fund the Mascus acquisition. This impact was partially offset by an increase in our operating income during the first quarter of 2016 compared to the first quarter of 2015.

Income tax expense and effective tax rate

At the end of each interim period, we make our best estimate of the effective tax rate expected to be applicable for the full fiscal year. The estimate reflects, among other items, our best estimate of operating results. It does not include the estimated impact of foreign exchange rates or unusual and/or infrequent items, which may cause significant variations in the customary relationship between income tax expense and income before income taxes.

For the three months ended March 31, 2016, income tax expense was $9.5 million, compared to an income tax expense of $9.4 million for the same comparative period in 2015. Our effective tax rate was 24.1% in the first quarter of 2016, compared to 28.1% in the first quarter of 2015. The decrease in the effective tax rate was primarily due to a greater estimated proportion of earnings taxed in jurisdictions with lower tax rates.

Net income attributable to stockholders

Net income attributable to stockholders increased 24% to $29.4 million in the first quarter of 2016 compared to $23.8 million in the first quarter of 2015, primarily due the increase in operating income over the same comparative period.

Adjusted results

Adjusted Net Income and Diluted Adjusted EPS attributable to stockholders are non-GAAP measures. We believe that comparing Adjusted Net Income and Diluted Adjusted EPS attributable to stockholders for different financial periods provides useful information about the growth or decline of our net income attributable to stockholders for the relevant financial period, and eliminates the financial impact of items we do not consider to be part of our normal operating results.

Adjusted Net Income attributable to stockholders represents net income attributable to stockholders excluding the after-tax effects of adjusting items. We calculate Diluted Adjusted EPS attributable to stockholders by dividing Adjusted Net Income attributable to stockholders by the weighted average number of diluted shares outstanding.

There were no adjusting items during the three months ended March 31, 2016 and 2015.

Operations Update

The majority of our business continues to be generated by our core auction operations. During the first quarter of 2016, we conducted 42 unreserved industrial auctions at locations in North America, Europe, the Middle East, Australia, New Zealand, and Asia, as compared to 40 in the first quarter of 2015. We also held nine unreserved agricultural auctions in the first quarter of 2016, compared to eight in the first quarter of 2015.

Our key industrial auction metrics [2] are shown below:

	Three months ended March 31,		
			% Change
	2016	2015	2016 over 2015
Bidder registrations	125,500	106,500	18%
Consignments	11,300	8,900	27%
Buyers	31,750	25,200	26%
Lots	93,000	72,500	28%

We continued to see increases in all key industrial auction metrics in the first quarter of 2016 compared to the first quarter of 2015, primarily as a result of our focused efforts on growing the business combined with a stable used equipment market.

Although our auctions vary in size, our average industrial auction results on a rolling 12-month basis are described in the following table:

	12 months ended March 31,		
			Change
	2016	2015	2016 over 2015
GAP	$ 16.9 million	$ 16.5 million	$ 0.4 million
Bidder registrations	2,282	2,016	13%
Consignors	217	191	14%
Lots	1,624	1,382	18%

2 For a breakdown of these key industrial auction metrics by month, please refer to our website at *www.rbauction.com* . None of the information in our website is incorporated by reference into this document by this or any other reference.

For the same reasons discussed above, we continued to see improvements in all of our average industrial auction metrics for the 12 months ended March 31, 2016 compared to the 12 months ended March 31, 2015.

Website metrics [3]

The Ritchie Bros. website (*www.rbauction.com*) is a gateway to our online bidding system, which allows bidders to participate in our auctions over the internet and showcases upcoming auctions and equipment to be sold. This online bidding service gives our auction customers the choice of how they want to do business with us and access to both live and online auction participation.

Internet bidders comprised 61% of the total bidder registrations at our industrial auctions in the first quarter of 2016, compared to 62% in the first quarter of 2015. This consistent level of internet bidders continues to demonstrate our ability to drive multichannel participation at our auctions.

Our EquipmentOne website (*www.equipmentone.com*) provides access to our online equipment marketplace.

The following table provides information about the average monthly users of our websites:

	As at March 31,		
			% Change
	2016	2015	2016 over 2015
www.rbauction.com	999,962	857,315	17%
www.equipmentone.com	107,775	112,908	(5)%

In the first quarter of 2016 compared to the first quarter of 2015, we continued to see a significant increase in the number of average monthly users of *www.rbauction.com* . This increase is primarily due to greater search traffic, which we believe is a direct result of our search engine optimization efforts that were focused on adapting our website to mobile devices.

Over the same comparative period, we saw a slight decrease in the number of average monthly users of *www.equipmentone.com* . We believe this decrease is primarily due to a first quarter 2015 marketing effort that reached a larger audience, and therefore, drew greater interest to the EquipmentOne website than in the first quarter of 2016. However, in the first quarter of 2016, the marketing effort was more targeted, reaching a smaller audience, but an audience that was more likely to transact on the online marketplace. As such, we believe this targeted marketing contributed to the increase in EquipmentOne revenues in the first quarter of 2016 compared to the first quarter of 2015.

During the first quarter of 2016, the average number of monthly visits to Mascus' global websites was 3,611,620.

Online bidding and equipment marketplace purchase metrics

We continue to see an increase in the use and popularity of both our online bidding system and our online equipment marketplace. During the first three months of 2016, we attracted record first quarter online bidder registrations and sold approximately $448.8 million of equipment, trucks and other assets to online auction bidders and EquipmentOne customers. This represents an 11% increase over the $405.7 million of assets sold online in the first quarter of 2015, and a first quarter sales record.

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[3] None of the information in our websites is incorporated by reference into this document by this or any other reference.

Productivity

During the first quarter of 2015, we expanded our training strategy and introduced new leadership training programs for our sales management team. We continued to see the effects of these improvements in the first quarter of 2016, as demonstrated by an increase in Sales Force Productivity to $12.1 million per Revenue Producer [4] in the first quarter of 2016, from $11.9 million in the first quarter of 2015. We measure Sales Force Productivity as rolling 12-month core auction GAP per Revenue Producer. It is an operational statistic that we believe provides a gauge of the effectiveness of Revenue Producers in increasing our GAP, and ultimately our net income.

Our headcount statistics, which exclude Xcira and Mascus employees, as at the end of each period are presented below:

	As at March 31,	
	2016	2015
Total full-time employees	1,559	1,479
Revenue Producers	345	353
Territory Managers	296	308
Trainee Territory Managers	26	30

Total headcount (excluding Xcira and Mascus employees) increased by net 80 between March 31, 2015 and March 31, 2016, which consisted of increases of net 72 administrative and operational personnel – including net 22 from Ritchie Bros. Financial Services – and net eight sales personnel. While other sales personnel increased by net 16, the number of Revenue Producers decreased by net eight, resulting in the overall net eight increase in total sales personnel. However, total Revenue Producers increased by net three from the 342 reported at December 31, 2015, while the number of Territory Managers remained stable over the three-month period ended March 31, 2016.

Xcira had a total headcount of 50 at March 31, 2016, which has not changed since December 31, 2015. Mascus had a total headcount of 40 at March 31, 2016.

Outstanding Share Data

We are a public company and our common shares are listed under the symbol “RBA” on the NYSE and the TSX. On May 6, 2016, we had 106,101,974 common shares issued and outstanding and stock options outstanding to purchase a total of 4,073,178 common shares. No preferred shares have been issued or are outstanding. The outstanding stock options had a weighted average exercise price of $23.77 per share and a weighted average remaining term of 7.6 years.

Share repurchase program

In March 2016, we executed the following share repurchases at a total cost of $36.7 million:

	Issuer purchases of equity securities			
	(a) Total number of shares purchased (2)	(b) Average price paid per share (2)	(c) Total number of shares purchased as part of publically announced program (2)	(d) Maximum approximate dollar value of shares that may yet be purchased under the program (1)
March 2016 (3)	1,460,000	$ 25.15	1,460,000	$ 15.8 million

(1) On January 12, 2015, we announced that our Board of Directors had authorized a share repurchase program for the repurchase of up $100 million worth of our common shares (subject to TSX approval) over the next three years. The initial normal course issuer bid approved by the TSX (the “initial NCIB”) was for a one-year period from March 3, 2015 through March 2, 2016. No purchases were made under the initial NCIB during the first quarter of 2016, and the initial NCIB expired in accordance with its terms on March 2, 2016.

4 Revenue Producers is a term used to describe our revenue-producing sales personnel. This definition is comprised of Regional Sales Managers and Territory Managers.

(2) On February 25, 2016, we announced our intention to renew our normal course issuer bid on the expiry of the initial NCIB. On March 1, 2016, the TSX approved a new normal course issuer bid (the "new NCIB") for a one-year period from March 3, 2016 to March 2, 2017. The information in the above table relates to purchases made, and eligible to be made in the future, pursuant to the new NCIB.
(3) Repurchases under the new NCIB during the month of March 2016 began on March 8, 2016 and ended on March 15, 2016. All repurchased shares were cancelled on March 15, 2016. No further share repurchases were made pursuant to the new NCIB, or by any other means, during the first quarter of 2016.

Liquidity and Capital Resources
Working capital

(in U.S. $000's)		March 31, 2016		December 31 2015	% Change
Cash and cash equivalents	$	294,074	$	210,148	40%
Restricted cash		117,944		83,098	42%
Current assets	$	597,233	$	430,099	39%
Current liabilities		509,297		289,966	76%
Working capital	$	87,936	$	140,133	(37)%

We believe that working capital is a more meaningful measure of our liquidity than cash alone. Our working capital decreased during the three months ended March 31, 2016 primarily as a result of our repurchase of 1.46 million common shares for $36.7 million and the payment of dividends of $19.5 million, partially offset by the increase in net income generated during the period.

Cash flows

(in U.S. $000's)	Three months ended March 31,				
		2016		2015	% Change 2016 over 2015
Cash provided by (used in):					
Operating activities	$	134,014	$	110,234	22%
Investing activities		(33,316)		(4,973)	570%
Financing activities		(25,710)		(60,319)	(57)%
Effect of changes in foreign currency rates		8,938		(8,497)	(205)%
Net increase in cash and cash equivalents	$	83,926	$	36,445	130%

Operating activities
Net cash provided by operating activities increased $23.8 million, or 22%, during the first quarter of 2016 compared to the first quarter of 2015. This increase is primarily due to changes in our operating assets and liabilities, and in particular, auction proceeds payable, trade and other payables, advances against auction contracts, inventory, and trade and other receivables. Net cash provided by operating activities can fluctuate significantly from period to period due to factors such as differences in the timing, size and number of auctions during the period, the timing of the receipt of auction proceeds from buyers and the timing of the payment of net amounts due to consignors.

Investing activities
Net cash used in investing activities increased $28.3 million, or 570%, during the first quarter of 2016 compared to the first quarter of 2015. This increase is primarily due to the acquisition of Mascus for cash consideration of $27.8 million, which is net of cash and cash equivalents acquired.

CAPEX Intensity presents net capital spending as a percentage of revenue. We believe that comparing CAPEX Intensity on a 12-month rolling basis for different financial periods provides useful information as to the amount of capital expenditure that we require to generate revenues.

(in U.S. $ millions)	12 months ended March 31,		
			% Change
	2016	2015	2016 over 2015
Net capital spending	$ 14.6	$ 24.2	(40)%
Revenues	532.2	498.1	7%
CAPEX Intensity	2.7%	4.9%	(45)%

The decrease in CAPEX Intensity for the 12 months ended March 31, 2016 compared to the 12 months ended March 31, 2015 is primarily due to the increase in revenues combined with the decrease in net capital spending, as discussed above.

Financing activities
Net cash used in financing activities decreased $34.6 million, or 57%, in the first quarter of 2016 compared to the first quarter of 2015. The decrease was primarily due to $30.2 million in proceeds from short-term debt received during the first quarter of 2016, which we borrowed to fund the Mascus acquisition. In addition, our March 2016 share repurchase was $10.8 million less than our March 2015 share repurchase as a result of fewer shares being repurchased.

We declared and paid regular cash dividends of $0.14 per common share for the quarter ended March 31, 2015, and declared and paid regular cash dividends of $0.16 per common share for the quarters ended June 30, 2015, September 30, 2015, and December 31, 2015. We have declared, but not yet paid, a dividend of $0.16 per common share for the quarter ended March 31, 2016.

Total dividend payments during the three months ended March 31, 2016 were $17.2 million to stockholders and $2.3 million to non-controlling interests. This compares to total dividend payments of $15.1 million to stockholders and $1.3 million to non-controlling interests during the three months ended March 31, 2015. All dividends we pay are “eligible dividends” for Canadian income tax purposes unless indicated otherwise.

Adjusted results
Adjusted Dividend Payout Ratio
Adjusted Dividend Payout Ratio is non-GAAP measure. We believe that comparing the Adjusted Dividend Payout Ratio for different financial periods is the best indicator of how well our net income supports our dividend payments. Refer to table under “Return on Invested Capital” below for a reconciliation of Adjusted Net Income attributable to stockholders to the most directly comparable GAAP measures in the consolidated income statements on a rolling 12-month basis. Adjusted Dividend Payout Ratio is calculated by dividing dividends paid to stockholders by Adjusted Net Income attributable to stockholders (as defined and reconciled to our consolidated income statements above).

The following table presents our Adjusted Dividend Payout Ratio results on a rolling 12-month basis, and reconciles that metric to dividends paid to stockholders, which is the most directly comparable GAAP measure in our consolidated statements of cash flows:

(in U.S. $ millions)	12 months ended March 31,		
			% Change
	2016	2015	2016 over 2015
Dividends paid to stockholders	$ 66.4	$ 59.1	12%
Adjusted Net Income attributable to stockholders	126.7	110.9	14%
Adjusted Dividend Payout Ratio	52.4%	53.3%	(2)%

The slight decrease in our Adjusted Dividend Payout Ratio reflects the retention of net income for purposes of funding future growth including, but not limited to mergers and acquisitions, development of EquipmentOne, and other growth opportunities.

Operating Free Cash Flow ("OFCF")

OFCF is non-GAAP measure that we believe, when compared on a 12-month rolling basis to different financial periods, provides an effective measure of the cash generated by our business and provides useful information regarding cash flows remaining for discretionary return to stockholders, mergers and acquisitions, or debt reduction. OFCF is also an element of the performance criteria for certain annual short-term incentive awards we grant to our employees and officers. We calculate OFCF by subtracting net capital spending from cash provided by operating activities.

The following table presents our OFCF results on a rolling 12-month basis, and reconciles that metric to cash provided by operating activities and net capital spending, which are the most directly comparable GAAP measures in our consolidated statements of cash flows:

(in U.S. $ millions)	12 months ended March 31,		
			% Change
	2016	2015	2016 over 2015
Cash provided by operating activities	$ 220.1	$ 195.9	12%
Property, plant and equipment additions	21.2	21.6	(2)%
Intangible asset additions	10.1	12.0	(16)%
Proceeds on disposition of property plant and equipment	(16.7)	(9.4)	78%
Net capital spending	$ 14.6	$ 24.2	(40)%
Operating Free Cash Flow	$ 205.5	$ 171.7	20%

OFCF increases for the 12 months ended March 31, 2016 compared to the 12 months ended March 31, 2015 were the result of greater cash provided by operating activities combined with less capital spending. The net capital spending decrease was primarily the result of a 78% increase in proceeds on disposition of property, plant and equipment, which was mostly due to the sale of excess land in Edmonton during the fourth quarter of 2015. There were also fewer intangible asset and property, plant and equipment additions.

Return on Invested Capital ("ROIC")

ROIC is a non-GAAP measure that we believe, by comparing on a 12-month rolling basis for different financial periods, is the best indicator of the after-tax return generated by our investments. ROIC is also an element of the performance criteria for certain performance share units we granted to our employees and officers in 2013 and 2014. As noted above, Adjusted Net Income attributable to stockholders represents net income attributable to stockholders excluding the pre-tax effects of adjusting items.

Average Invested Capital is calculated as the average long-term debt (including current and non-current portions) and stockholders' equity over the rolling 12-month period. We calculate ROIC as Adjusted Net Income attributable to stockholders divided by Average Invested Capital.

The following table presents our Adjusted Net Income attributable to stockholders and ROIC results on a 12-month rolling basis, and reconciles those metrics to net income attributable to stockholders, long-term debt, and stockholders' equity, which are the most directly comparable GAAP measures in our consolidated financial statements:

(in U.S. $ millions)	12 months ended March 31,		
			% Change
	2016	2015	2016 over 2015
Net income attributable to stockholders	$ 141.8	$ 101.6	40%
After-tax adjusting items:			
Management reorganization	-	4.2	(100)%
Gain on sale of excess property	(7.3)	(2.9)	152%
Impairment loss	-	8.1	(100)%
Tax loss utilization	(7.9)	-	(100)%
Adjusted Net Income attributable to stockholders	$ 126.7	$ 110.9	14%
Opening long-term debt	104.1	143.1	(27)%
Ending long-term debt	102.3	104.1	(2)%
Average long-term debt	$ 103.2	$ 123.6	(17)%
Opening stockholders' equity	631.6	686.3	(8)%
Ending stockholders' equity	676.5	631.6	7%
Average stockholders' equity	$ 654.1	$ 659.0	(1)%
Average invested capital	$ 757.3	$ 782.6	(3)%
ROIC	16.7%	14.2%	18%

The increase in ROIC for the 12 months ended March 31, 2016 compared to the 12 months ended March 31, 2015 was the result of an increase in net income attributable to stockholders combined with a decrease in average invested capital. Average invested capital decreased primarily due to reductions in long-term debt resulting from lower levels of borrowings combined with the effect that the weakening Canadian dollar, relative to the U.S. dollar, had on our Canadian dollar-denominated debt.

Debt and credit facilities

At March 31, 2016, our short-term debt of $42.5 million consisted of borrowings under our committed, revolving credit facility, and had a weighted average annual interest rate of 2.0%. This compares to current borrowings of $7.6 million as at March 31, 2015, with a weighted average annual interest rate of 1.7%.

The $46.1 million current portion of long-term debt as at March 31, 2016 consisted entirely of our Canadian dollar 60 million term loan under our uncommitted, revolving credit facility. We refinanced this term loan on a long-term basis when it fell due on May 4, 2016 by drawing on our committed, revolving credit facility. As at March 31, 2016, we had a total of $102.3 million outstanding fixed rate long-term debt, including both current and non-current portions, bearing annual interest rates ranging from 3.59% to 6.385%, with a weighted average annual interest rate of 5.0%. This compares to long-term debt of $104.1 million as at March 31, 2015, with a weighted average annual interest rate of 5.0%.

Future scheduled interest payments over the next five years relating to our long-term debt outstanding at March 31, 2016 were as follows:

(in U.S. $000's)	Scheduled interest payments					
	In 2016	In 2017	In 2018	In 2019	In 2020	Thereafter
On long-term debt	$ 1,914	$ 2,182	$ 2,182	$ 2,182	$ 2,182	$ 3,006

Our credit facilities are with financial institutions in the United States, Canada and the Netherlands. Certain of the facilities include commitment fees applicable to the unused credit amount. We were in compliance with all financial and other covenants applicable to our credit facilities at March 31, 2016.

We believe our existing working capital and availability under our credit facilities are sufficient to satisfy our present operating requirements, as well as to fund future growth including, but not limited to, mergers and acquisitions, development of EquipmentOne, and other growth opportunities.

Scorecard Summary
The following tables summarize the adjusted results discussed above that appear in our performance scorecards:

Income statement scorecard

(in U.S. $ millions, except EPS)	Three months ended March 31,		
			Better/(Worse)
	2016	2015	2016 over 2015
GAP	$ 1,019.9	$ 955.6	7%
Revenues	$ 131.9	$ 115.6	14%
Revenue Rate	12.94%	12.10%	84bps
Adjusted Operating Income	$ 39.2	$ 33.0	19%
Adjusted Operating Income Margin	29.7%	28.5%	120bps
Diluted Adjusted EPS attributable to stockholders	$ 0.27	$ 0.22	23%

Balance sheet scorecard

(in U.S. $ millions)	12 months ended March 31,		
			Better/(Worse)
	2016	2015	2016 over 2015
Operating Free Cash Flow	$ 205.5	$ 171.7	20%
CAPEX Intensity	2.7%	4.9%	220bps
Return on Invested Capital	16.7%	14.2%	250bps
Debt/Adjusted EBITDA	0.7x	0.6x	(0.1)x

Off-Balance Sheet Arrangements
We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, financial performance, liquidity, capital expenditures or capital resources.

Critical Accounting Policies, Judgments, Estimates and Assumptions
Aside from those discussed below, there were no material changes in our critical accounting policies, judgments, estimates and assumptions from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015, which is available on our website at *www.rbauction.com* , on EDGAR at *www.sec.gov* , or on SEDAR at *www.sedar.com* .

In preparing our consolidated financial statements in conformity with US GAAP, we must make decisions that impact the reported amounts and related disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and the assumptions on which to base accounting estimates. In reaching such decisions, we apply judgments based on our understanding and analysis of the relevant circumstances and historical experience. Actual amounts could differ materially from those estimated by us at the time our consolidated financial statements are prepared.

The following discussion is intended to supplement the significant accounting policies, judgments, estimates and assumptions presented in the notes to our consolidated financial statements included in "Part I, Item 1: Consolidated Financial Statements" in this Form 10-Q, which summarize the accounting policies and methods used in the preparation of those consolidated financial statements. The policies and the estimates discussed below are included here because they require more significant judgments and estimates in the preparation and presentation of our consolidated financial statements than other policies and estimates.

Valuation of contingently redeemable NCI
As noted above, together with the NCI of RBFS, we hold options pursuant to which we may acquire, or be required to acquire, the NCI holders' 49% interest in RBFS. These call and put options became exercisable on April 6, 2016. As a result of the existence of the put option, the NCI is accounted for as a contingently redeemable equity instrument (the "contingently redeemable NCI").

We record contingently redeemable equity instruments initially at their fair value within temporary equity on the balance sheet. When the equity instruments become redeemable or redemption is probable, the Company recognizes changes in the redemption value immediately as they occur, and adjusts the carrying amount of the contingently redeemable equity instrument to equal the redemption value at the end of each reporting period. Changes to the carrying value are charged or credited to retained earnings attributable to stockholders on the balance sheet.

Since the call and put options have not yet been exercised, the redemption value of our contingently redeemable NCI has been estimated to be $41,444,000 at March 31, 2016. During the first quarter of 2016, we commenced price negotiations with the NCI holders, which are still in progress. As a result, we have recorded the contingently redeemable NCI at the estimated redemption value based on the status of these negotiations.

The estimation of redemption value required management to make significant judgments, estimates and assumptions as of the reporting date. Those judgments, estimates, and assumptions could vary significantly between the reporting date and the date the call and put options are exercised. We believe that RBFS is a high-growth business and expect significant service offerings across expanded geographies in the near future.

Changes in Accounting Policies
There have been no changes in our accounting policies during the three months ended March 31, 2016. New and amended accounting standards, as well as recent accounting standards not yet adopted, have been disclosed in the notes to our consolidated financial statements included in "Part I, Item 1: Consolidated Financial Statements" of this Form 10-Q.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to the Company's market risk during the three months ended March 31, 2016 from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, which is available on our website at *www.rbauction.com* , on EDGAR at *www.sec.gov* , or on SEDAR at *www.sedar.com* .

ITEM 4: CONTROLS AND PROCEDURES

Disclosure Controls and Procedures
Management of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), have evaluated the effectiveness of the Company's disclosure controls and procedures as at March 31, 2016. The term "disclosure controls and procedures" means controls and other procedures established by the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SEC's") rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Based upon their evaluation of the Company's disclosure controls and procedures, the CEO and the CFO concluded that the disclosure controls are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

The Company, including its CEO and CFO, does not expect that its internal controls and procedures will prevent or detect all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control over Financial Reporting
Management, with the participation of the CEO and CFO, concluded that there were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

ITEM 1: LEGAL PROCEEDINGS

The Company has no material legal proceedings pending, other than ordinary routine litigation incidental to the business, and management does not know of any material proceedings contemplated by governmental authorities.

ITEM 1A: RISK FACTORS

Our business is subject to a number of risks and uncertainties, and our past performance is no guarantee of our performance in future periods. In addition to the other information set forth in this Form 10-Q, you should carefully consider the risks and uncertainties discussed in “Part 1, Item 1A: Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2015, which is available on our website at *www.rbauction.com* , on EDGAR at *www.sec.gov* , or on SEDAR at *www.sedar.com* , before purchasing our common shares. Our business could also be affected by additional risks not currently known to us or that we currently deem to be immaterial. If any of the risks actually occur, our business, financial condition and results of operations could materially suffer. As a result, the trading price of our common shares could decline, and you may lose all or part of your investment.

There were no material changes in risk factors during the three months ended March 31, 2016.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities
Share repurchase program
For information regarding our purchases of common shares during the quarter ended March 31, 2016 pursuant to our normal course issuer bid, refer to “Part I, Item 2: Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Outstanding Share Data—Share Repurchase Program” of this Form 10-Q which is incorporated into this Item by reference.

ITEM 6: EXHIBITS

Exhibits

The exhibits listed in below are filed as part of this Form 10-Q and incorporated herein by reference.

Exhibit Number	Document
10.1	Employment Agreement between Ritchie Bros. Auctioneers (Canada) Ltd. and Marianne Marck, dated February 29, 2016
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	RITCHIE BROS. AUCTIONEERS INCORPORATED
Dated: May 9, 2016	By: *\/s/ Ravichandra K. Saligram* Ravichandra K. Saligram *Chief Executive Officer*
Dated: May 9, 2016	By: */s/ Sharon R. Driscoll* Sharon R. Driscoll *Chief Financial Officer*

Exhibit 10.1

EMPLOYMENT AGREEMENT

Between:

MARIANNE MARCK

(the "Executive")

And:

RITCHIE BROS. AUCTIONEERS (CANADA) LTD.,
a corporation incorporated under the laws of Canada

(the "Employer")

WHEREAS:

A. The Employer, its parent, and the other subsidiaries is in the business of facilitating the exchange, buying, selling and auctioneering of industrial equipment; and

B. The Employer and the Executive wish to enter into an employment relationship on the terms and conditions as described in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged by both parties, the Employer and the Executive agree as follows:

1. EMPLOYMENT

a. The Employer agrees to employ the Executive pursuant to the terms and conditions described in this Agreement, including the appendices to this Agreement, and the Executive hereby accepts and agrees to such employment. Unless otherwise defined, the defined terms in this Agreement will have the same meaning in the appendices hereto.

b. The Executive's employment under this Agreement is conditional on the Executive obtaining authorization and documentation to legally work in Canada (" **Work Authorization** ") within 4 months after execution of this Agreement. It is a condition of the Executive's continued employment that the Executive maintain the necessary work authorization to work in Canada throughout the duration of the Executive's employment. The parties agree to work together on a best efforts basis to obtain from the appropriate Canadian governmental authorities, and maintain, such Work Authorization. During the period after the Commencement Date but prior to issuance of the Work Authorization, the Executive shall provide services under this Agreement from the Executive's home office in, USA. It is expected that Executive relocates to Vancouver with-in 4 months of receiving Canadian work authorization.

If the Executive is unable to obtain the Work Authorization within 4 months after execution of this Agreement, or if the Executive is subsequently unable to renew the Work Authorization, the Employer will offer the Executive employment in the United States, subject to a revised US employment agreement containing substantially the same terms as this Agreement, on the condition that the Executive's employment under the US employment agreement will be for a fixed term of 15 months and the Executive will cooperate with the Employer to obtain the Work Authorization to resume work in Canada prior to the end of the fixed term. The Executive agrees that prior to the expiry of the term of the US employment agreement, he will accept continued employment in Canada on the terms of this Agreement, which will supercede the US employment agreement.

c. The Executive will be employed in the position of **Chief Information Officer** , and shall perform and assume such duties and responsibilities as may be assigned by the Employer from time to time.

d. Subject to the Executive obtaining the Work Authorization as described in section 1.b above, the Executive's employment with the Employer will commence on or around April 18, 2016 (the " **Commencement Date** "), and the Executive's employment hereunder will continue for an indefinite period of time until terminated in accordance with the terms of this Agreement or applicable law (the " **Term** ").

e. During the Term, the Executive will at all times:

i. well and faithfully serve the Employer, and act honestly and in good faith in the best interests of the Employer;

ii. devote all of the Executive's business time, attention and abilities, and provide her best efforts, expertise, skills and talents, to the business of the Employer, except as provided in Section 2(b);

iii. adhere to all generally applicable written policies of the Employer, and obey and observe to the best of the Executive's abilities all lawful orders and directives, whether verbal or written, of the Board;

iv. act lawfully and professionally, and exercise the degree of care, diligence and skill that an executive employee would exercise in comparable circumstances; and

v. to the best of the Executive's abilities perform the duties and exercise the responsibilities required of the Executive under this Agreement.

2. PRIOR COMMITMENTS AND OUTSIDE ACTIVITIES

a. The Executive represents and warrants to the Employer that the Executive has no existing common law, contractual or statutory obligations to her former employer or to any other person that will conflict with the Executive's duties and responsibilities under this Agreement.

b. During the term of this Agreement, the Executive will not be engaged directly or indirectly in any outside business activities, whether for profit or not-for-profit, as principal, partner, director, officer, active shareholder, advisor, employee or otherwise, without first having obtained the written permission of the Employer.

3. POLICIES

a. The Executive agrees to comply with all generally applicable written policies applying to the Employer's staff that may reasonably be issued by the Employer from time to time. The Executive agrees that the introduction, amendment and administration of such generally applicable written policies are within the sole discretion of the Employer. If the Employer introduces, amends or deletes such generally applicable written policies, such introduction, deletion or amendment will not constitute a constructive dismissal or breach of this Agreement. If there is a direct conflict between this Agreement and any such policy, this Agreement will prevail to the extent of the inconsistency.

4. COMPENSATION

a. Upon the Commencement Date, and continuing during the Term, the Executive will earn the following annual compensation, less applicable statutory and regular payroll deductions and withholdings:

Compensation Element	$US
Annual Base Salary	**$335,000** (the " **Base Salary** ")
Annual Short-Term Incentive	**50% of Base Salary at Target** (the " **STI Bonus** ") (0% - 200% of STI Bonus at Target, based on actual performance)
Annual Long-Term Incentive Grant	**100% of Base Salary at Target** (the " **LTI Grant** ")

The Employer shall review the Executive's compensation package for increase no less frequently than annually, starting in 2017.

b. The structure of the STI Bonus and LTI Grant will be consistent with those granted to the RBA Pubco's other executives, and is subject to amendments from time to time by the Employer. Currently, LTI grants for executives are provided as follows:

i. 50% in stock options, with a ten-year term, with all such options vesting in equal one-third parts after the first, second and third anniversaries of the grant date;

ii. 50% in performance share units, vesting on the third anniversary of the grant date based on meeting pre-established performance criteria, with the number of share units that ultimately vest ranging from 0% to 200% of target based on actual performance.

c. For 2016, both the STI and LTI will be prorated for the appropriate portion of the year based on the April 18, 2016 hire date (70.5%).

d. The specific terms and conditions for LTI Grants (including but not limited to the provisions upon termination of employment) will be based on the relevant plan documents and may be subject to amendments from time to time by RBA Pubco.

e. Notwithstanding any other provisions in this Agreement to the contrary, the Executive will be subject to any clawback/recoupment policy of the Employer in effect from time-to-time, allowing the recovery of incentive compensation previously paid or payable to the Executive in cases of misconduct or material financial restatement, whether pursuant to the requirements of Dodd-Frank Wall Street Reform and the *Consumer Protection Act* , the listing requirements of any national securities exchange on which common stock of RBA Pubco is listed, or otherwise.

f. In the event of a restatement of the financial results of Ritchie Bros. Auctioneers Incorporated ("RBA Pubco") (other than due to a change in applicable accounting rules or interpretations), the Board of Directors of RBA Pubco (the "Board") shall determine whether any performance-based compensation (pursuant to both short-term and long-term incentive compensation plans) paid or awarded to the Executive during the three years preceding such restatement (the "Awarded Compensation"), would have been a lower amount had it been calculated based on such restated financial statement (such lower amount being referred to herein as the "Adjusted Compensation"). If the Board determines that the Awarded Compensation exceeds the Adjusted Compensation, then the Board may demand from the Executive the recovery of any excess of the Awarded Compensation over the Adjusted Compensation, and the Executive shall immediately forfeit and/or repay, as applicable, any such amount.

5. BENEFITS

a. The Executive will be eligible to participate in the Employer's US group benefit plans, subject to the terms and conditions of said plans and the applicable policies of the Employer and applicable benefits providers. Subject to the Executive's eligibility, such benefits will include, without limitation, United States medical coverage satisfying the minimum essential coverage requirements under the United States *Patient Protection and Affordable Care Act* , short-term and long-term disability coverage, and term life insurance.

b. The liability of the Employer with respect to the Executive's employment benefits is limited to the premiums or portions of the premiums the Employer regularly pays on behalf of the Executive in connection with said employee benefits. The Executive agrees that the Employer is not, and will not be deemed to be, the insurer and, for greater certainty, the Employer will not be liable for any decision of a third-party benefits provider or insurer, including any decision to deny coverage or any other decision that affects the Executive's benefits or insurance.

c. The Executive will be provided with an automobile allowance of $2,000 CAD per month; paid once per month.

d. The Employer will reimburse the Executive for up to $15,000 in 2016, and up to $5,000 per annum in 2017 and thereafter, for expenses related to professional advice concerning the completion of the Employment Agreement, and tax planning and compliance. Reimbursement for completion of the Employment Agreement shall be treated as a non-taxable benefit to the extent permissible under applicable law, and the balance of any such reimbursements will be reported as a taxable benefit.

e. The Executive shall be entitled to reimbursement of relocation expenses in accordance with the terms of the Employer's standard relocation policy for executives.

6. EXPENSES

a. The Employer will reimburse the Executive, in accordance with the Employer's policies, for all authorized travel and other out-of-pocket expenses actually and properly incurred by the Executive in the course of carrying out the Executive's duties and responsibilities under this Agreement.

7. HOURS OF WORK AND OVERTIME

a. Given the management nature of the Executive's position, the Executive is required to work additional hours from time to time, and is not eligible for overtime pay. The Executive acknowledges and agrees that the compensation provided under this Agreement represents full compensation for all of the Executive's working hours and services, including overtime.

8. VACATION

a. The Executive will earn up to four (4) weeks (or twenty (20) business days) of paid vacation per annum, pro-rated for any partial year of employment.

b. The Executive will take her vacation subject to business needs, and in accordance with the Employer's vacation policy in effect from time to time.

c. Annual vacation must be taken and may not be accrued, deferred or banked without the Employer's written approval.

9. INDEMNITY AND CHANGE OF CONTROL

a. In consideration of the Executive's employment by the Employer, the Executive and the Employer and RBA Pubco hereby agree to enter into and execute contemporaneously with this Agreement:

i. the indemnity agreement in **Appendix** " **A** " to this Agreement (the " **Indemnity Agreement** "); and

ii. the change of control agreement in **Appendix** " **B** " to this Agreement (the " **Change of Control Agreement** ").

10. TERMINATION OF EMPLOYMENT

a. Termination for cause : The Employer may terminate the Executive's employment at any time for Cause, after providing Executive with at least 30 days' notice of such proposed termination and 15 days to remedy the alleged defect. In this Agreement, "Cause" means the wilful and continued failure by the Executive to substantially perform, or otherwise properly carry out, the Executive's duties on behalf of RBA Pubco or an affiliate, or to follow, in any material respect, the lawful policies, procedures, instructions or directions of the Employer or any applicable affiliate (other than any such failure resulting from the Executive's disability or incapacity due to physical or mental illness), or the Executive wilfully or intentionally engaging in illegal or fraudulent conduct, financial impropriety, intentional dishonesty, breach of duty of loyalty or any similar intentional act which is materially injurious RBA Pubco or an affiliate, or which may have the effect of materially injuring the reputation, business or business relationships of the Employer or an affiliate, or any other act or omission constituting cause for termination of employment without notice or pay in lieu of notice at common law. For the purposes of this definition, no act, or failure to act, on the part of a Executive shall be considered "wilful" unless done, or omitted to be done, by the Executive in bad faith and without reasonable belief that the Executive's action or omissions were in, or not opposed to, the best interests of the Employer and its affiliates.

In the event of termination for Cause, all unvested stock options granted to the Executive pursuant to the terms of the RBA Pubco's Stock Option Plan (the "Option Plan") will immediately be void on the date the Employer notifies the Executive of such termination. The Executive will have 30 days from the date of termination to exercise any options which have vested prior to the date of termination, subject to the terms and conditions of the Option Plan and the applicable individual option agreements.

In the event of termination for Cause, the rights of the Executive with respect to any performance share units ("PSUs") granted pursuant to the RBA Pubco's Performance Share Unit Plan (the "PSU Plan") , and pursuant to any and all PSU grant agreements, respectively, will be governed pursuant to the PSU Plan.

b. Termination for Good Reason : The Executive may terminate her employment with the Employer for Good Reason by delivery of written notice to the Employer within the sixty (60) day period commencing upon the occurrence of Good Reason including the basis for such Good Reason (with such termination effective thirty (30) days after such written notice is delivered to the Employer and only in the event that the Employer fails or is unable to cure such Good Reason within such thirty (30) day period). In the event of a termination of the Executive's employment for Good Reason, the Executive will receive pay and benefits as if terminated by the Employer without Cause under Section 10 c., below, and the termination shall be regarded as a termination without Cause for purposes of the Option Plan and the PSU Plan. In this Agreement, " **Good Reason** " means a material adverse change by RBA Pubco or an affiliate, without the Executive's consent, to the Executive's position, authority, duties, responsibilities, Executive's place of residence, Base Salary or the potential short-term or long-term incentive bonus the Executive is eligible to earn, but does not include (1) a change in the Executive's duties and/or responsibilities arising from a change in the scope or nature of RBA Pubco's business operations, provided such change does not adversely affect the Executive's position or authority or (2) a change across the board affecting similar executives in a similar fashion, or (3) the inability or failure, for whatever reason, of the Executive to be able to work as needed periodically in British Columbia.

c. Termination without Cause : The Employer may terminate the Executive's employment at any time, without Cause by providing the Executive with the following:

i. During the first thirty-six (36) months of the Term:

(1) one (1) year's Base Salary plus one (1) year's at-target STI Bonus;

(2) continuation of all applicable PSU rights held by the Executive in accordance with the applicable PSU grant agreements, and the terms and conditions of the PSU Plan;

(3) immediate accelerated vesting of all unvested stock options, with the Executive having 90 days from the date of termination to exercise such options, subject to the terms and conditions of the Option Plan and the applicable individual option agreements ; and

(4) continued extended health and dental benefits coverage at active employee rates until the earlier of the first anniversary of the termination of the Executive's employment or the date on which the Executive begins new full-time employment, or paying for such period of time the Employer's share of the costs of such benefits.

ii. After the first 36 months of the Term:

(1) eighteen (18) months' Base Salary plus eighteen (18) months' at-target STI Bonus;

(2) continuation of all applicable PSU rights held by the Executive in accordance with the applicable PSU grant agreements, and the terms and conditions of the PSU Plan;

(3) immediate accelerated vesting of all unvested stock options, with the Executive having 90 days from the date of termination to exercise such options, subject to the terms and conditions of the Option Plan and the applicable individual option agreements; and

(4) continued extended health and dental benefits coverage at active employee rates until the earlier of the first anniversary of the termination of the Executive's employment or the date on which the Executive begins new full-time employment, or paying for such period of time the Employer's share of the costs of such benefits.

d. Resignation : The Executive may terminate her employment with the Employer at any time by providing the Employer with three (3) months' notice in writing to that effect. If the Executive provides the Employer with written notice under this Section, the Employer may waive such notice, in whole or in part, in which case the Employer will pay the Executive the Base Salary only for the amount of time remaining in that notice period and the Executive's employment will terminate on the earlier date specified by the Employer without any further compensation.

In the event of termination by the Executive as provided in this section, all unvested stock options held by the Executive will immediately be void on the termination date of the Executive's employment, with the Executive having 90 days from said date to exercise any vested stock options held by the Executive. The rights of the Executive with respect to any PSUs will be as set forth in the PSU Plan with respect to termination by the Executive.

e. Retirement : In the event of the Executive's retirement, as defined by the Employer's policies, all unvested stock options will continue to vest according to their initial grant schedules and will remain exercisable up to the earlier of the original grant expiry date and the third anniversary of the date of retirement; provided, however, that for purposes of any award subject to Section 409A (as defined below), any termination (other than a termination for cause) after Executive's attainment of retirement age shall be governed by the retirement provisions of such award.

RSUs will continue to vest and be paid in accordance with the original grant schedule applicable thereto.

f. Termination Without Cause or Good Reason Following Change of Control : In the event of Termination without Cause or for Good Reason within one (1) year of a change of control of RBA Pubco or the Employer, the Executive will have the rights set forth in the Change of Control Agreement attached as **Appendix "B"** hereto.

g. Deductions and withholdings : All payments under this Section are subject to applicable statutory and regular payroll deductions and withholdings as applicable.

h. Terms of Payment upon Termination : Upon termination of the Executive's employment, for any reason:

i. Subject to Section 10 d. and except as limited by Section 10 h. (ii), the Employer will pay the Executive all earned and unpaid Base Salary, earned and unpaid vacation pay, earned and unpaid STI for a preceding year (if any remains unpaid), and a prorated STI Bonus for the year of termination, up to and including the Executive's last day of active employment with the Employer (the " **Termination Date** "), with such payment to be made within five (5) business days of the Termination Date.

ii. In the event of resignation by the Executive or termination of the Executive's employment for Cause, no STI Bonus for the year of termination will be payable to the Executive; and

iii. On the Termination Date, or as otherwise directed by the Board, the Executive will immediately deliver to the Employer all files, computer disks, Confidential Information, information and documents pertaining to the Employer's Business, and all other property of the Employer that is in the Executive's possession or control, without making or retaining any copy, duplication or reproduction of such files, computer disks, Confidential Information, information or documents without the Employer's express written consent.

i. Other than as expressly provided herein, the Executive will not be entitled to receive any further pay or compensation, severance pay, notice, payment in lieu of notice, incentives, bonuses, benefits, rights and damages of any kind. The Executive acknowledges and agrees that, in the event of a payment under Section 10b. or Section 10 c. of this Agreement, the Executive will not be entitled to any other payment in connection with the termination of the Executive's employment.

j. Notwithstanding the foregoing, in the event of a termination without Cause or termination for Good Reason, the Employer will not be required to pay any Base Salary or STI Bonus to the Executive beyond that earned by the Executive up to and including the Termination Date, unless the Executive signs within sixty (60) days of the Termination Date and does not revoke a full and general release (the " **Release** ") of any and all claims that the Executive has against the Employer or its affiliates and such entities' past and then current officers, directors, owners, managers, members, agents and employees relating to all matters, in form and substance satisfactory to the Employer acting in good faith, provided, however, that the payment shall not occur prior to the effective date of the Release, provided further that if the maximum period during which Executive can consider and revoke the release begins in one calendar year and ends in another calendar year, then such payment shall not be made until the first payroll date occurring after the later of (A) the last day of the calendar year in which such period begins, and (B) the date on which the Release becomes effective.

k. Notwithstanding any changes in the terms and conditions of the Executive's employment which may occur in the future, including any changes in position, duties or compensation, the termination provisions in this Agreement will continue to be in effect for the duration of the Executive employment with the Employer unless otherwise amended in writing and signed by the Employer.

l. Agreement authorizing payroll deductions : If, on the date the employment relationship ends, regardless of the reason, the Executive owes the Employer any money (whether pursuant to an advance, overpayment, debt, error in payment, or any other reason), the Executive hereby authorizes the Employer to deduct any such debt amount from the Executive's salary, severance or any other payment due to the Executive (to the extent permissible by applicable law including without limitation Section 409A (as defined below)). Any remaining debt will be immediately payable to the Employer and the Executive agrees to satisfy such debt within 14 days of the Termination Date or any demand for repayment.

11. SHARE OWNERSHIP REQUIREMENTS

a. The Executive will be subject to the RBA Pubco's share ownership guideline policy, as amended from time to time.

12. CONFIDENTIAL INFORMATION

a. In this Agreement "Confidential Information" means information proprietary to RBA Pubco or the Employer that is not publically known or available, including but not limited to personnel information, customer information, supplier information, contractor information, pricing information, financial information, marketing information, business opportunities, technology, research and development, manufacturing and information relating to intellectual property, owned, licensed, or used by RBA Pubco or the Employer or in which the Employer otherwise has an interest, and includes Confidential Information created by the Executive in the course of her employment, jointly or alone. The Executive acknowledges that the Confidential Information is the exclusive property of the Employer.

b. The Executive agrees at all times during the Term and after the Term, to hold the Confidential Information in strictest confidence and not to disclose it to any person or entity without written authorization from the Employer and the Executive agrees not to copy or remove it from the Employer's premises except in pursuit of the Employer's business, or to use or attempt to use it for any purpose other than the performance of the Executive's duties on behalf of the Employer.

c. The Executive agrees, at all times during and after the Term, not use or take advantage of the Confidential Information for creating, maintaining or marketing, or aiding in the creation, maintenance, marketing or selling, of any products and/or services which are competitive with the products and services of RBA Pubco or the Employer.

d. Upon the request of the Employer, and in any event upon the termination of the Executive's employment with the Employer, the Executive will immediately return to the Employer all materials, including all copies in whatever form containing the Confidential Information which are within the Executive's possession or control.

13. INVENTIONS

a. In this Agreement, "Invention" means any invention, improvement, method, process, advertisement, concept, system, apparatus, design or computer program or software, system or database.

b. The Executive acknowledges and agrees that every Invention which the Executive may, at any time during the terms of her employment with the Employer or its affiliates, make, devise or conceive, individually or jointly with others, whether during the Employer's business hours or otherwise, and which relates in any manner to the Employer's business will belong to, and be the exclusive property of the Employer, and the Executive will make full and prompt disclosure to the Employer of every such Invention. The Executive hereby irrevocably waives all moral rights that the Executive may have in every such Invention.

c. The Executive undertakes to, and hereby does, assign to the Employer, or its nominee, every such Invention and to execute all assignments or other instruments and to do any other things necessary and proper to confirm the Employer's right and title in and to every such Invention. The Executive further undertakes to perform all proper acts within her power necessary or desired by the Employer to obtain letters patent in the name of the Employer and at the Employer's expense for every such Invention in whatever countries the Employer may desire, without payment by the Employer to the Executive of any royalty, license fee, price or additional compensation.

d. The Executive acknowledges that all original works of authorship which are made by the Executive (solely or jointly with others) within the scope of the Executive's employment and which are protectable by copyright are "works made for hire," pursuant to United States Copyright Act (17 U.S.C., Section 101).

14. NON-SOLICITATION

a. The Executive acknowledges that in the course of the Executive's employment with the Employer the Executive will develop close relationships with the Employer's clients, customers and employees, and that the Employer's goodwill depends on the development and maintenance of such relationships. The Executive acknowledges that the preservation of the Employer's goodwill and the protection of its relationships with its customers and employees are proprietary rights that the Employer is entitled to protect.

b. The Executive will not during the Applicable Period, whether individually or in partnership or jointly or in conjunction with any person or persons, as principal, agent, shareholder, director, officer, employee or in any other manner whatsoever:

   i. solicit any client or customer of the Employer or an affiliate with whom the Executive dealt during the twelve (12) months immediately prior to the termination of the Executive's employment with the Employer (however caused) for the purposes of (a) causing or trying to cause such client or customer to cease doing business with the Employer or to reduce such business with the Employer or an affiliate by diverting it elsewhere or (b) providing products or services that are the same as or competitive with the business of the Employer or an affiliate in the area of facilitating the exchange of industrial equipment; or

   ii. seek in any way to solicit, engage, persuade or entice, or attempt to solicit, engage, persuade or entice any employee of the Employer or an affiliate, to leave his or her employment with the Employer or affiliate, The " **Applicable Period** " means twelve (12) months following termination, regardless of the reason for such termination or the party effecting it.

15. NON-COMPETITION

The Executive agrees that, without the prior written consent of the Employer, the Executive will not, directly or indirectly, in a capacity similar to that of the Executive with the Employer, carry on, be engaged in, be concerned with or interested in, perform services for, or be employed in a business which is the same as or competitive with the business of the Employer in the area of facilitating the exchange of industrial equipment, or in the area of the buying, selling or auctioning of industrial equipment, either individually or in partnership or jointly or in conjunction with any person as principal, agent, employee, officer or shareholder. The foregoing restriction will be in effect for a period of twelve (12) months following the termination of the Executive's employment, regardless of the reason for such termination or the party effecting it, within the geographical area of Canada and the United States.

16. REMEDIES FOR BREACH OF RESTRICTIVE COVENANTS

a. The Executive acknowledges that the restrictions contained in Sections 10 h. iii., 12, 13, 14 and 15 of this Agreement are, in view of the nature of the Employer's business, reasonable and necessary in order to protect the legitimate interests of the Employer and that any violation of those Sections would result in irreparable injuries and harm to the Employer, and that damages alone would be an inadequate remedy.

b. The Executive hereby agrees that the Employer will be entitled to the remedies of injunction, specific performance and other equitable relief to prevent a breach or recurrence of a breach of this Agreement and that the Employer will be entitled to its reasonable legal costs and expenses, including but not limited to its attorneys' fees, incurred in properly enforcing a provision of this Agreement.

c. Nothing contained herein will be construed as a waiver of any of the rights that the Employer may have for damages or otherwise.

d. The Executive and the Employer expressly agree that the provisions of Sections 10 h. iii., 12, 13, 14, 15, and 22 of this Agreement will survive the termination of the Executive's employment for any reason.

17. GOVERNING LAW

This Agreement will be governed by the laws of the Province of British Columbia.

18. SEVERABILITY

a. All sections, paragraphs and covenants contained in this Agreement are severable, and in the event that any of them will be held to be invalid, unenforceable or void by a court of a competent jurisdiction, such sections, paragraphs or covenants will be severed and the remainder of this Agreement will remain in full force and effect.

19. ENTIRE AGREEMENT

a. This Agreement, including the Appendices, and any other documents referenced herein, contains the complete agreement concerning the Executive's employment by the Employer and will, as of the date it is executed, supersede any and all other employment agreements between the parties.

b. The parties agree that there are no other contracts or agreements between them, and that neither of them has made any representations, including but not limited to negligent misrepresentations, to the other except such representations as are specifically set forth in this Agreement, and that any statements or representations that may previously have been made by either of them to the other have not been relied on in connection with the execution of this Agreement and are of no effect.

c. No waiver, amendment or modification of this Agreement or any covenant, condition or restriction herein contained will be valid unless executed in writing by the party to be charged therewith, with the exception of those modifications expressly permitted within this Agreement. Should the parties agree to waive, amend or modify any provision of this Agreement, such waiver, amendment or modification will not affect the enforceability of any other provision of this Agreement. Notwithstanding the foregoing, the Employer may unilaterally amend the provisions of Section 11 c. relating to provision of certain health benefits following termination of employment to the extent the Employer deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Employer or any of its Affiliates, including, without limitation, under Section 4980D of the U.S. Internal Revenue Code.

20. CONSIDERATION

a. The parties acknowledge and agree that this Agreement has been executed by each of them in consideration of the mutual premises and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged. The parties hereby waive any and all defenses relating to an alleged failure or lack of consideration in connection with this Agreement.

21. INTERPRETATION

Headings are included in this Agreement for convenience of reference only and do not form part of this Agreement.

22. DISPUTE RESOLUTION

In the event of a dispute arising out of or in connection with this Agreement, or in respect of any legal relationship associated with it or from it, which does not involve the Employer seeking a court injunction or other injunctive or equitable relief to protect its business, confidential information or intellectual property, that dispute will be resolved in strict confidence as follows:

a. Amicable Negotiation – The parties agree that, both during and after the performance of their responsibilities under this Agreement, each of them will make *bona fide* efforts to resolve any disputes arising between them via amicable negotiations;

b. Arbitration – If the parties have been unable to resolve a dispute for more than 90 days, or such other period agreed to in writing by the parties, either party may refer the dispute for final and binding arbitration by providing written notice to the other party. If the parties cannot agree on an arbitrator within thirty (30) days of receipt of the notice to arbitrate, then either party may make application to the British Columbia Arbitration and Mediation Society to appoint one. The arbitration will be held in Vancouver, British Columbia, in accordance with the BCICAC's Shorter Rules for Domestic Commercial Arbitration, and each party will bear its own costs, including one-half share of the arbitrator's fees.

23. ENUREMENT

a. The provisions of this Agreement will enure to the benefit of and be binding upon the parties, their heirs, executors, personal legal representatives and permitted assigns, and related companies.

b. This Agreement may be assigned by the Employer in its discretion, in which case the assignee shall become the Employer for purposes of this Agreement. This Agreement will not be assigned by the Executive.

24. EFFECT OF SECTION 409A

a. Payments and benefits provided under or referenced in this Agreement are intended to be designed in such a manner that they are either exempt from the application of, or comply with, the requirements of, Section 409A of the U.S. Internal Revenue Code and the regulations issued thereunder (collectively, as in effect from time to time, "Section 409A") and shall be construed, administered and interpreted in accordance with such intention. If, as of the date of the Executive's termination, the Executive is a "specified employee" within the meaning of Section 409A, then to the extent necessary to comply with Section 409A and to avoid the imposition of taxes and/or penalties under Section 409A, payment to the Executive of any amount or benefit under this Agreement or any other Employer plan, program or agreement that constitutes "nonqualified deferred compensation" under Section 409A and which under the terms of this Agreement or any other Employer plan, program or arrangement would otherwise be payable as a result of and within six (6) months following such termination shall be delayed, as provided under current regulatory requirements under Section 409A, until the earlier of (i) five (5) days after the Employer receives notification of the Executive's death or (ii) the first business day of the seventh month following the date of the Executive's termination.

b. Any payment or benefit under this Agreement or any other Employer plan, program or agreement that is payable upon a termination of the Executive's employment shall only be paid or provided to the Executive upon a "separation from service" within the meaning of Section 409A. If the Executive or the Employer determine that any payment, benefit, distribution, deferral election, or any other action or arrangement contemplated by the provisions of this Agreement or any other Employer plan, program or agreement would, if undertaken or implemented, cause the Executive to become subject to taxes and/or penalties under Section 409A, then such payment, benefit, distribution, deferral election or other action or arrangement shall not be given effect to the extent it causes such result and the related provisions of this Agreement or other Employer plan, program or agreement will be deemed modified in order to provide the Executive with the intended economic benefit and comply with the requirements of Section 409A.

c. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate and distinct payments.

d. With regard to any provision in this Agreement that provides for reimbursement of expenses or in-kind benefits, except for any expense, reimbursement or in-kind benefit provided pursuant to this Agreement that does not constitute a “deferral of compensation,” within the meaning of Section 409A, (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (ii) such payments shall be made on or before the last day of the calendar year following the calendar year in which the expense was incurred, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

Dated this 29 th day of February, 2016.

Signed, Sealed and Delivered by	)	
MARIANNE MARCK in the	)	
presence of:	)	
	)	
Neil Marck	)	*/s/ Marianne Marck*
Name	)	**MARIANNE MARCK**
	)	
7052 NE New Brooklyn Rd.	)	
Address	)	
	)	
Bainbridge Island, WA 98110 USA	)	
	)	
	)	
Self Employed	)	
Occupation	)	

RITCHIE BROS. AUCTIONEERS (CANADA) LTD.

Per: */s/ Darren Watt*
Authorized Signatory

APPENDIX “A”

INDEMNITY AGREEMENT

THIS AGREEMENT executed on the 29 th day of February, 2016.

BETWEEN:

RITCHIE BROS. AUCTIONEERS INCORPORATED , a corporation amalgamated under the laws of Canada and having an office at 9500 Glenlyon Parkway, Burnaby, British Columbia, V5J 0C6

(the “Corporation”)

AND:

MARIANNE MARCK

(the “Indemnified Party”)

WHEREAS:

A. The Indemnified Party:

(a) is or has been a director or officer of the Corporation, or

(b) acts or has acted, at the Corporation’s request, as a director or officer of, or in a similar capacity for, an Interested Corporation (as defined herein);

B. The Corporation acknowledges that the Indemnified Party, by virtue of her acting as a director or officer of the Corporation or the Interested Corporation and in exercising business judgment, making decisions and taking actions in furtherance of the business and affairs of any such corporation or entity may attract personal liability;

C. The Indemnified Party has agreed to serve or to continue to serve as a director or officer of the Corporation or the Interested Corporation subject to the Corporation providing him with an indemnity against certain liabilities and expenses and, in order to induce the Indemnified Party to serve and to continue to so serve, the Corporation has agreed to provide the indemnity herein;

D. The Corporation considers it desirable and in the best interests of the Corporation to enter into this Agreement to set out the circumstances and manner in which the Indemnified Party may be indemnified in respect of certain liabilities and expenses which the Indemnified Party may incur or sustain as a result of the Indemnified Party so acting as a director or officer; and

E. The By-Laws of the Corporation contemplate that the Indemnified Party may be so indemnified.

THEREFORE THIS AGREEMENT WITNESSES that in consideration of the Indemnified Party so agreeing to act and the mutual premises, promises and conditions herein (the receipt and sufficiency of which is acknowledged by the Corporation), the parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement unless there is something in the subject matter or context inconsistent therewith, the following capitalized words will have the following meanings:

(a) "CBCA" means the *Canada Business Corporations Act* as amended or re-enacted.

(b) "Claim" means any action, cause of action, suit, complaint, proceeding, arbitration, judgment, award, assessment, order, investigation, enquiry or hearing howsoever arising and whether arising in law, equity or under statute, rule or regulation or ordinance of any governmental or administrative body.

(c) "Interested Corporation" means any subsidiary of the Corporation or any other corporation, society, partnership, association, syndicate, joint venture or trust, whether incorporated or unincorporated, in which the Corporation is, was or may at any time become a shareholder, creditor, member, partner or other stakeholder.

1.2 Interpretation

For the purposes of this Agreement, except as otherwise provided:

(a) "this Agreement" means this Indemnity Agreement as it may from time to time be supplemented or amended and in effect;

(b) all references in this Agreement to "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement;

(c) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(d) the headings are for convenience only and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

(e) the singular of any term includes the plural, and vice versa, the use of any term is equally applicable to any gender and, where applicable, a body corporate, the word "or" is not exclusive and the word "including" is not limiting whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto;

(f) where the time for doing an act falls or expires on a day other than a business day, the time for doing such act is extended to the next day which is a business day; and

(g) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation.

ARTICLE 2
INDEMNITY

2.1 Indemnities

(a) *General Indemnity* - Except as otherwise provided herein, the Corporation agrees to indemnify and save the Indemnified Party harmless, to the fullest extent permitted by law, including but not limited to that permitted under the CBCA, as the same exists on the date hereof or may hereafter be amended (but, in the case of such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior to such amendment) from and against any and all costs, charges, expenses, fees, losses, damages or liabilities (including legal or other professional fees), without limitation, and whether incurred alone or jointly with others, which the Indemnified Party may suffer, sustain, incur or be required to pay and which arise out of or in respect of any Claim which may be brought, commenced, made, prosecuted or threatened against the Indemnified Party, the Corporation, the Interested Corporation or any of the directors or officers of the Corporation or by reason of her acting or having acted as a director or officer of the Corporation or Interested Corporation and any act, deed, matter or thing done, made or permitted by the Indemnified Party or which the Indemnified Party failed or omitted to do arising out of, or in connection with the affairs of the Corporation or Interested Corporation or the exercise by the Indemnified Party of the powers or the performance of the Indemnified Party's duties as a director or officer of the Corporation or the Interested Corporation including, without limitation, any and all costs, charges, expenses, fees, losses, damages or liabilities which the Indemnified Party may suffer, sustain or reasonably incur or be required to pay in connection with investigating, initiating, defending, appealing, preparing for, providing evidence in, instructing and receiving the advice of counsel or other professional advisor or otherwise, or any amount paid to settle any Claim or satisfy any judgment, fine or penalty, provided, however, that the indemnity provided for in this Section 2.1 will only be available if:

(i) the Indemnified Party acted honestly and in good faith with a view to the best interests of the Corporation or the Interested Corporation, as the case may be; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Party had reasonable grounds for believing that her conduct was lawful.

(b) *Indemnity in Derivative Claims etc* . - in respect of any action by or on behalf of the Corporation or the Interested Corporation to procure a judgment in its favour against the Indemnified Party, in respect of which the Indemnified Party is made a party by reason of the Indemnified Party acting or having acted as a director or officer of or otherwise associated with the Corporation or the Interested Corporation, the Corporation will, with the approval of a court of competent jurisdiction, indemnify and save the Indemnified Party harmless against all costs, charges and expenses reasonably incurred by the Indemnified Party in connection with such action to the same extent as provided or in Section 2.1 provided the Indemnified Party fulfils the conditions set out in Section 2.1(a)(i) and 2.1(a)(ii) above.

(c) *Indemnity as of Right* - notwithstanding anything herein, the Corporation will indemnify and save the Indemnified Party harmless in respect of all costs, charges and expenses reasonably incurred by him in connection with the defence of any civil, criminal, administrative or investigative action or proceeding to which the Indemnified Party is subject because of her acting or having acted as a director or officer of or otherwise associated with the Corporation or the Interested Corporation, if the Indemnified Party:

(i) was not judged by a court of competent jurisdiction to have committed any fault or omitted to do anything that the individual ought to have done; and

(ii) fulfils the conditions set out in Section 2.1(a)(i) and 2.1(a)(ii) above.

(d) *Incidental Expenses* - except to the extent such costs, charges, expenses, fees or liabilities are paid by an Interested Corporation, the Corporation will pay or reimburse the Indemnified Party for reasonable travel, lodging or accommodation costs, charges or expenses paid or incurred by or on behalf of the Indemnified Party in carrying out her duties as a director or officer of the Corporation or the Interested Corporation, whether or not incurred in connection with any Claim.

2.2 Specific Indemnity for Statutory Obligations

Without limiting the generality of Section 2.1 hereof, the Corporation agrees, to the extent permitted by law, that the indemnities provided herein will include all costs, charges, expenses, fees, fines, penalties, losses, damages or liabilities arising by operation of statute, rule, regulation or ordinance and incurred by or imposed upon the Indemnified Party in relation to the affairs of the Corporation or the Interested Corporation by reason of the Indemnified Party acting or having acted as a director or officer thereof, including but not limited to, any statutory obligations or liabilities that may arise to creditors, employees, suppliers, contractors, subcontractors, or any government or agency or division of any government, whether federal, provincial, state, regional or municipal.

2.3 Taxation

Without limiting the generality of Section 2.1 hereof, the Corporation agrees that the payment of any indemnity to or reimbursement of the Indemnified Party hereunder will include any amount which the Indemnified Party may be required to pay on account of applicable income, goods or services or other taxes or levies arising out of the payment of such indemnity or reimbursement such that the amount received by or paid on behalf of the Indemnified Party, after payment of any such taxes or other levies, is equal to the amount required to pay and fully indemnify the Indemnified Party for such costs, charges, expenses, fees, losses, damages or liabilities, provided however that any amount required to be paid with respect to such taxes or other levies will be payable by the Corporation only upon the Indemnified Party remitting or being required to remit any amount payable on account of such taxes or other levies.

2.4 Partial Indemnification

If the Indemnified Party is determined to be entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of the costs, charges, expenses, fees, losses, damages or liabilities incurred in respect of any Claim but not for the total amount thereof, the Corporation will nevertheless indemnify the Indemnified Party for the portion thereof to which the Indemnified Party is determined to be so entitled.

2.5 Exclusions to Indemnity

The Corporation will not be obligated under this Agreement to indemnify or reimburse the Indemnified Party:

(a) in respect to which the Indemnified Party may not be relieved of liability under the CBCA or otherwise at law; or

(b) to the extent that Section 16 of the U.S. *Securities Exchange Act* of 1934 is applicable to the Corporation, for expenses or the payment of profits arising from the purchase and sale by the Indemnified Party of securities in violation of Section 16(b) of the U.S. *Securities Exchange Act* of 1934, as amended, or any similar successor statute; or

(c) with respect to any Claims initiated or brought voluntarily by the Indemnified Party without the written agreement of the Corporation, except with respect to any Claims brought to establish or enforce a right under this Agreement or any other statute, regulation, rule or law.

ARTICLE 3
CLAIMS AND PROCEEDINGS WHICH MAY GIVE RISE TO INDEMNITY

3.1 Notices of the Proceedings

The Indemnified Party will give notice, in writing, to the Corporation forthwith upon the Indemnified Party being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing, threatening or continuing any Claim involving the Corporation or the Interested Corporation or the Indemnified Party which may give rise to a claim for indemnification under this Agreement, and the Corporation agrees to notify the Indemnified Party, in writing, forthwith upon it or any Interested Corporation being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing or continuing any Claim involving the Indemnified Party. Failure by the Indemnified Party to so notify the Corporation of any Claim will not relieve the Corporation from liability hereunder except to the extent that the failure materially prejudices the Corporation or Interested Corporation.

3.2 Subrogation

Promptly after receiving notice of any Claim or threatened Claim from the Indemnified Party, the Corporation may, and upon the written request of the Indemnified Party will, promptly assume conduct of the defence thereof and retain counsel on behalf of the Indemnified Party who is reasonably satisfactory to the Indemnified Party, to represent the Indemnified Party in respect of the Claim. If the Corporation assumes conduct of the defence on behalf of the Indemnified Party, the Indemnified Party hereby consents to the conduct thereof and of any action taken by the Corporation, in good faith, in connection therewith and the Indemnified Party will fully cooperate in such defence including, without limitation, the provision of documents, attending examinations for discovery, making affidavits, meeting with counsel, testifying and divulging to the Corporation all information reasonably required to defend or prosecute the Claim.

3.3 Separate Counsel

In connection with any Claim in respect of which the Indemnified Party may be entitled to be indemnified hereunder, the Indemnified Party will have the right to employ separate counsel of the Indemnified Party's choosing and to participate in the defence thereof but the fees and disbursements of such counsel will be at the expense of the Indemnified Party (for which the Indemnified Party will not be entitled to claim from the Corporation) unless:

(a) the Indemnified Party reasonably determines that there are legal defences available to the Indemnified Party that are different from or in addition to those available to the Corporation or the Interested Corporation, as the case may be, or that a conflict of interest exists which makes representation by counsel chosen by the Corporation not advisable;

(b) the Corporation has not assumed the defence of the Claim and employed counsel therefor reasonably satisfactory to the Indemnified Party within a reasonable period of time after receiving notice thereof; or

(c) employment of such other counsel has been authorized by the Corporation;

in which event the reasonable fees and disbursements of such counsel will be paid by the Corporation, subject to the terms hereof.

3.4 No Presumption as to Absence of Good Faith

Unless a court of competent jurisdiction otherwise has held or decided that the Indemnified Party is not entitled to be indemnified hereunder, in full or in part, the determination of any Claim by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, will not, of itself, create any presumption for the purposes of this Agreement that the Indemnified Party is not entitled to indemnity hereunder.

3.5 Settlement of Claim

No admission of liability and no settlement of any Claim in a manner adverse to the Indemnified Party will be made without the consent of the Indemnified Party, such consent not to be unreasonably withheld. No admission of liability will be made by the Indemnified Party without the consent of the Corporation and the Corporation will not be liable for any settlement of any Claim made without its consent, such consent not to be unreasonably withheld.

ARTICLE 4
INDEMNITY PAYMENTS, ADVANCES AND INSURANCE

4.1 Court Approvals

If the payment of an indemnity hereunder requires the approval of a court under the provisions of the *Canada Business Corporations Act* or otherwise, either of the Corporation or, failing the Corporation, the Indemnified Party may apply to a court of competent jurisdiction for an order approving the indemnity of the Indemnified Party pursuant to this Agreement.

4.2 Advances

(a) If the Board of Directors of the Corporation has determined, in good faith and based on the representations made to it by the Indemnified Party, that the Indemnified Party is or may to be entitled to indemnity hereunder in respect of any Claim, the Corporation will, at the request of the Indemnified Party, either pay such amount to or on behalf of the Indemnified Party by way of indemnity or, if the Board of Directors is unwilling to pay or is unable to determine if it is entitled to pay that amount by way of indemnity, then the Corporation will advance to the Indemnified Party sufficient funds, or arrange to pay on behalf of or reimburse the Indemnified Party any costs, charges, expenses, retainers or legal fees incurred or paid by the Indemnified Party in respect to such Claim.

(b) Any advance made by the Corporation under Section 4.2(a) will be treated as a loan to the Indemnified Party, pending approval by the Board of Directors of the payment thereof as an indemnity and advanced to or for the benefit of the Indemnified Party on such terms and conditions as the Board of Directors may prescribe which may include interest, the provision of security or a guarantee or indemnity therefor. Notwithstanding the generality of the foregoing, the terms of any such advance will provide that in the event it is ultimately determined by a court of competent jurisdiction that the Indemnified Party is not entitled to be indemnified in respect of any amount for which an advance was made, or that the Indemnified Party is not entitled to be indemnified for the full amount advanced, or the Indemnified Party has received insurance or other compensation or reimbursement payments from any insurer or third party in respect of the same subject matter, such advance, or the appropriate portion thereof, will be repaid to the Corporation, on demand.

4.3 Other Rights and Remedies Unaffected

The indemnification and payment provided in this Agreement will not derogate from or exclude and will incorporate any other rights to which the Indemnified Party may be entitled under any provision of the CBCA or otherwise at law, the Articles or By-Laws of the Corporation, the constating documents of any Interested Corporation, any applicable policy of insurance, guarantee or third-party indemnity, any vote of shareholders of the Corporation, or otherwise, both as to matters arising out of her capacity as a director or officer of the Corporation, an Interested Corporation, or as to matters arising out of any other capacity in which the Indemnified Party may act for or on behalf of or be associated with the Corporation or the Interested Corporation.

4.4 Insurance

The Corporation will, to the extent permitted by law, purchase and maintain, or cause to be purchased and maintained, for so long as the Indemnified Party remains a director or officer of the Corporation or the Interested Corporation, and for a period of six (6) years thereafter, insurance for the benefit of the Indemnified Party (or a rider, extension or modification of such policy to extend the time within which a Claim would be required to be reported by the Indemnified Party under such policy after the Indemnified Party has ceased to be a director or officer) on terms no less favourable than the maximum coverage in place while the Indemnified Party served as a director or officer of the Corporation or as the Corporation maintains in existence for its then serving directors and officers and provided such insurance or additional coverage is available on commercially reasonable terms and premiums therefor.

4.5 Notification of Transactions

The Corporation will immediately notify the Indemnified Party upon the Corporation entering into or resolving to carry out any arrangement, amalgamation, winding-up or any other transaction or series of transactions which may result in the Corporation ceasing to exist as a legal entity or substantially impairing its ability to fulfill its obligations hereunder and, in any event, will give written notice not less than 21 days prior to the date on which such transaction or series of transactions are expected to be carried out or completed.

4.6 Arrangements to Satisfy Obligations Hereunder

The Corporation will not carry out or complete any transaction contemplated by Section 4.5, unless and until the Corporation has made adequate arrangements, satisfactory to the Indemnified Party, acting reasonably, to fulfill its obligations hereunder, which arrangements may include, without limitation, the assumption of any liability hereunder by any successor to the assets or business of the Company or the prepayment of any premium for any insurance contemplated in Section 4.4.

4.7 Payments or Compensation from Third Parties

The Indemnified Party, before claiming indemnification or reimbursement under this Agreement, will use reasonable efforts to make claims under any applicable insurance policy or arrangements maintained or made available by the Corporation or the Interested Corporation in respect of the relevant matter. If the Indemnified Party receives any payment under any insurance policy or other arrangements maintained or made available by the Corporation or the Interested Corporation in respect of any costs, charges, expenses, fees, damages or liabilities which have been paid to or on behalf of the Indemnified Party by the Corporation pursuant to indemnification under this Agreement, the Indemnified Party will pay back to the Corporation an amount equal to the amount so paid to or on behalf of the Indemnified Party by the Corporation.

ARTICLE 5
GENERAL

5.1 Company and Indemnified Party to Cooperate

The Corporation and the Indemnified Party will, from time to time, provide such information and cooperate with the other, as the other may reasonably request, in respect of all matters hereunder.

5.2 Effective Time

This Agreement will be deemed to have effect as and from the first date upon which the Indemnified Party was appointed or elected as a director or officer of the Corporation or the Interested Corporation, notwithstanding the date of actual execution of this Agreement by the parties hereto.

5.3 Extensions, Modifications

This Agreement is absolute and unconditional and the obligations of the Corporation will not be affected, discharged, impaired, mitigated or released by the extension of time, indulgence or modification which the Indemnified Party may extend or make with any person regarding any Claim against the Indemnified Party or in respect of any liability incurred by the Indemnified Party in acting as a director or officer of the Corporation or an Interested Corporation.

5.4 Insolvency

The liability of the Corporation under this Agreement will not be affected, discharged, impaired, mitigated or released by reason of the discharge or release of the Indemnified Party in any bankruptcy, insolvency, receivership or other similar proceeding of creditors.

5.5 Multiple Proceedings

No action or proceeding brought or instituted under this Agreement and no recovery pursuant thereto will be a bar or defence to any further action or proceeding which may be brought under this Agreement.

5.6 Modification

No modification of this Agreement will be valid unless the same is in writing and signed by the Corporation and the Indemnified Party.

5.7 Termination

The obligations of the Corporation will not terminate or be released upon the Indemnified Party ceasing to act as a director or officer of the Corporation or the Interested Corporation at any time or times unless, in acting as a director or officer of an Interested Corporation, the Indemnified Party is no longer doing so at the request or on behalf of the Corporation. Except as otherwise provided, the Corporation's obligations hereunder may be terminated or released only by a written instrument executed by the Indemnified Party.

5.8 Notices

Any notice to be given by one party to the other will be sufficient if delivered by hand, deposited in any post office in Canada, registered, postage prepaid, or sent by means of electronic transmission (in which case any message so transmitted will be immediately confirmed in writing and mailed as provided above), addressed, as the case may be:

(a) To the Corporation:

9500 Glenlyon Parkway
Burnaby, British Columbia
V5J 0C6

Attention: Corporate Secretary
Facsimile: (778) 331-5501

(b) To the Indemnified Party:

Marianne Marck

7 052 New Brooklyn Rd NE, Bainbridge Island WA 98110
Address

____

____

mariannemarck@yahoo.com
E-mail

or at such other address of which notice is given by the parties pursuant to the provisions of this section. Such notice will be deemed to have been received when delivered, if delivered, and if mailed, on the fifth business day (exclusive of Saturdays, Sundays and statutory holidays) after the date of mailing.

Any notice sent by means of electronic transmission will be deemed to have been given and received on the day it is transmitted, provided that if such day is not a business day then the notice will be deemed to have been given and received on the next business day following. In case of an interruption of the postal service, all notices or other communications will be delivered or sent by means of electronic transmission as provided above, except that it will not be necessary to confirm in writing and mail any notice electronically transmitted.

5.9 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and all disputes arising under this Agreement will be referred to and the parties hereto irrevocably attorn to the jurisdiction of the courts of British Columbia.

5.10 Further Assurances

The Corporation and the Indemnified Party agree that they will do all such further acts, deeds or things and execute and deliver all such further documents or instruments as may be necessary or advisable for the purpose of assuring and conferring on the Indemnified Party the rights hereby created or intended, and of giving effect to and carrying out the intention or facilitating the performance of the terms of this Agreement or to evidence any loan or advance made pursuant to Section 4.2 hereof.

5.11 Invalid Terms Severable

If any term, clause or provision of this Agreement will be held to be invalid or contrary to law, the validity of any other term, clause or provision will not be affected and such invalid term, clause or provision will be considered severable and the remaining provisions of this Agreement valid and enforceable to the fullest extent permitted by law.

5.12 Binding Effect

All of the agreements, conditions and terms of this Agreement will extend to and be binding upon the Corporation and its successors and assigns and will enure to the benefit of and may be enforced by the Indemnified Party and her heirs, executors, administrators and other legal representatives, successors and assigns. This Agreement amends, modifies and supersedes any previous agreements between the parties hereto relating to the subject matters hereof.

5.13 Independent Legal Advice

The Indemnified Party acknowledges having been advised to obtain independent legal advice with respect to entering into this Agreement, has obtained such independent legal advice or has expressly determined not to seek such advice, and that is entering into this Agreement with full knowledge of the contents hereof, of the Indemnified Party's own free will and with full capacity and authority to do so.

5.14 Extension of Agreement to Additional Interested Corporation

This Agreement will be deemed to extend and apply, without any further act on behalf of the Corporation or the Indemnified Party, or amendment hereto, to any corporation, society, partnership, association, syndicate, joint venture or trust which may at any time become an Interested Corporation (but, for greater certainty, not with respect to Other Entities) and the Indemnified Party will be deemed to have acted or be acting at the Corporation's or an Interested Corporation's request upon her being first appointed or elected as a director or officer of an Interested Corporation if then serving as a director or officer of the Corporation.

IN WITNESS WHEREOF the Corporation and the Indemnified Party have hereunto set their hands and seals as of the day and year first above written.

THE CORPORATE SEAL OF **RITCHIE BROS. AUCTIONEERS INCORPORATED** was hereunto affixed in the presence of:	)	C/S
By: */s/ Darren Watt*	)	
Name: Darren J. Watt		
Title: Corporate Secretary		

SIGNED, SEALED AND DELIVERED by **MARIANNE MARCK** in the presence of:	)	
/s/ Neil Marck	)	*/s/ Marianne Marck*
Signature	)	**MARIANNE MARCK**
Neil Marck	)	
Print Name	)	
7052 NE New Bainbridge Rd, Bainbridge Island WA 98110 USA	)	
Address	)	
Self Employed	)	
Occupation		

APPENDIX "B"

CHANGE OF CONTROL AGREEMENT

THIS AGREEMENT executed on the 29th day of February, 2016.

BETWEEN:

RITCHIE BROS. AUCTIONEERS (CANADA) LTD.,
a corporation incorporated under the laws of Canada, and having an office at 9500 Glenlyon Parkway, Burnaby, British Columbia, V5J 0C6

(the " **Company** ")

AND:

MARIANNE MARCK

(the " **Executive** ")

WITNESSES THAT WHEREAS:

A. The Executive is an executive of the Company and the Parent Company (as defined below) and is considered by the Board of Directors of the Parent Company (the "Board") to be a vital employee with special skills and abilities, and will be well-versed in knowledge of the Company's business and the industry in which it is engaged;

B. The Board recognizes that it is essential and in the best interests of the Company and its shareholders that the Company retain and encourage the Executive's continuing service and dedication to her office and employment without distraction caused by the uncertainties, risks and potentially disturbing circumstances that could arise from a possible change in control of the Parent Company;

C. The Board further believes that it is in the best interests of the Company and its shareholders, in the event of a change of control of the Parent Company, to maintain the cohesiveness of the Company's senior management team so as to ensure a successful transition, maximize shareholder value and maintain the performance of the Company;

D. The Board further believes that the service of the Executive to the Company requires that the Executive receive fair treatment in the event of a change in control of the Parent Company; and

E. In order to induce the Executive to remain in the employ of the Company notwithstanding a possible change of control, the Company has agreed to provide to the Executive certain benefits in the event of a change of control.

NOW THEREFORE in consideration of the premises and the covenants herein contained on the part of the parties hereto and in consideration of the Executive continuing in office and in the employment of the Company, the Company and the Executive hereby covenant and agree as follows:

1. Definitions

In this Agreement,

(a) “Agreement” means this agreement as amended or supplemented in writing from time to time;

(b) “Annual Base Salary” means the annual salary payable to the Executive by the Company from time to time, but excludes any bonuses and any director’s fees paid to the Executive by the Company;

(c) “STI Bonus” means the annual at target short-term incentive bonus the Executive is eligible to earn under the Employment Agreement, in accordance with the short-term incentive bonus plan;

(d) “Change of Control” means:

(i) a Person, or group of Persons acting jointly or in concert, acquiring or accumulating beneficial ownership of more than 50% of the Voting Shares of the Parent Company;

(ii) a Person, or Group of Persons acting jointly or in concert, holding at least 25% of the Voting Shares of the Parent Company and being able to change the composition of the Board of Directors by having the Person’s, or Group of Persons’, nominees elected as a majority of the Board of Directors of the Parent Company;

(iii) the arm’s length sale, transfer, liquidation or other disposition of all or substantially all of the assets of the Parent Company, over a period of one year or less, in any manner whatsoever and whether in one transaction or in a series of transactions or by plan of arrangement; or

(iv) a reorganization, merger or consolidation or sale or other disposition of substantially all the assets of the Company (a “ Business Combination ”), unless following such Business Combination the Parent Company beneficially owns all or substantially all of the Company’s assets either directly or through one or more subsidiaries.

(e) “Date of Termination” means the date when the Executive ceases to actively provide services to the Company, or the date when the Company instructs him to stop reporting to work;

(f) “Employment Agreement” means the employment agreement between the Company and the Executive dated __________ ___, 2016;

(g) “Good Reason” means either:

(i) Good Reason as defined in the Employment Agreement; or

(ii) the failure of the Company to obtain from a successor to all or substantially all of the business or assets of the Parent Company, the successor’s agreement to continue to employ the Executive on substantially similar terms and conditions as contained in the Employment Agreement;

(h) “Cause” has the meaning defined in the Employment Agreement.

(i) “Parent Company” means Ritchie Bros. Auctioneers Incorporated.

(j) "Person" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative and any national, provincial, state or municipal government; and

(k) "Voting Shares" means any securities of the Parent Company ordinarily carrying the right to vote at elections for directors of the Board, provided that if any such security at any time carries the right to cast more than one vote for the election of directors, such security will, when and so long as it carries such right, be considered for the purposes of this Agreement to constitute and be such number of securities of the Parent Company as is equal to the number of votes for the election of directors that may be cast by its holder.

2. Scope of Agreement

(a) The parties intend that this Agreement set out certain of their respective rights and obligations in certain circumstances upon or after Change of Control as set out in this Agreement.

(b) This Agreement does not purport to provide for any other terms of the Executive's employment with the Company or to contain the parties' respective rights and obligations on the termination of the Executive's employment with the Company in circumstances other than those upon or after Change of Control as set out in this Agreement.

(c) Where there is any conflict between this Agreement and (i) the Employment Agreement, or (ii) a Company plan or policy relating to compensation or executive programs, the terms of this Agreement will prevail.

3. Compensation Upon or After Change of Control

(a) If the Executive's employment with the Company is terminated (i) by the Company without Cause upon a Change of Control or within two years following a Change of Control; or (ii) by the Executive for Good Reason upon a Change of Control or within one (1) year following a Change of Control:

(i) the Company will pay to the Executive a lump sum cash amount equal to the aggregate of:

A. one and one-half (1.5) times Base Salary;

B. one and one-half (1.5) times at-target STI Bonus;

C. one and one-half (1.5) times the annual premium cost that would be incurred by the Company to continue to provide to the Executive all health, dental and life insurance benefits provided to the Executive immediately before the Date of Termination;

D. the earned and unpaid Base Salary and vacation pay to the Date of Termination; and

E. an amount calculated by dividing by 365 the Executive's target bonus under the STI Bonus for the fiscal year in which the Date of Termination occurs, and multiplying that number by the number of days completed in the fiscal year as of the Date of Termination.

(ii) the Executive will continue to have all rights under the Stock Option Plan of the Company adopted by the Board as of July 31, 1997 and amended and re-stated as of April 13, 2007 (the "Option Plan"), and under option agreements entered into in accordance with the Option Plan, with respect to options granted on or before the Date of Termination (including any options granted upon the commencement of employment as part of any sign-on grant), as if the Executive's employment had been terminated by the Company without cause; and

(iii) the Executive will continue to have all rights held by the Executive pursuant to the Company's Performance Share Unit Plan (the "PSU Plan") , and under any and all grant agreements representing performance share units granted under the PSU Plan, granted on or before the Change of Control.

(b) All amounts payable pursuant to this section 3 are subject to required statutory deductions and withholdings.

(c) No such payment pursuant to this Section 3 shall be made unless the Executive signs within sixty (60) days of the Termination Date and does not revoke a full and general release (the "Release") of any and all claims that the Executive has against the Company or its affiliates and such entities' past and then current officers, directors, owners, managers, members, agents and employees relating to all matters, in form and substance satisfactory to the Company, provided, however, that the payment shall not occur prior to the effective date of the Release, provided further that if the maximum period during which Executive can consider and revoke the release begins in one calendar year and ends in another calendar year, then such payment shall not be made until the first payroll date occurring after the later of (A) the last day of the calendar year in which such period begins, and (B) the date on which the Release becomes effective.

4. <u>Binding on Successors</u>

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by agreement in favour of the Executive and in form and substance satisfactory to the Executive, to expressly assume and agree to perform all the obligations of the Company under this Agreement that would be required to be observed or performed by the Company pursuant to section 3. As used in this Agreement, "Company" means the Company and any successor to its business or assets as aforesaid which executes and delivers the agreement provided for in this section or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement will enure to the benefit of and be enforceable by the Executive's successors and legal representatives but otherwise it is not assignable by the Executive.

5. <u>No Obligation to Mitigate; No Other Agreement</u>

(a) The Executive is not required to mitigate the amount of any payment or benefit provided for in this Agreement, or any damages resulting from a failure of the Company to make any such payment or to provide any such benefit, by seeking other employment, taking early retirement, or otherwise, nor, except as expressly provided in this Agreement, will the amount of any payment provided for in this Agreement be reduced by any compensation earned by the Executive as a result of taking early retirement, employment by another employer after termination or otherwise.

(b) The Executive represents and warrants to the Company that the Executive has no agreement or understanding with the Company in respect of the subject matters of this Agreement, except as set out in this Agreement.

6. <u>Exhaustive Compensation</u>

The Executive agrees with and acknowledges to the Company that the compensation provided for under section 3 of this Agreement is all the compensation payable by the Company to the Executive in relation to a Change of Control, or her termination from employment upon or subsequent to a Change of Control, under the circumstances provided for in this Agreement. The Executive further agrees and acknowledges that in the event of payment under section 3 of this Agreement, he will not be entitled to any termination payment under the Employment Agreement.

7. <u>Amendment and Waiver</u>

No amendment or waiver of this Agreement will be binding unless executed in writing by the parties to be bound by this Agreement.

8. <u>Choice of Law</u>

This Agreement will be governed and interpreted in accordance with the laws of the Province of British Columbia, which will be the proper law hereof. All disputes and claims will be referred to the Courts of the Province of British Columbia, which will have jurisdiction, but not exclusive jurisdiction, and each party hereby submits to the non-exclusive jurisdiction of such courts.

9. <u>Severability</u>

If any section, subsection or other part of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, such invalid or unenforceable section, subsection or part will be severable and severed from this Agreement, and the remainder of this Agreement will not be affected thereby but remain in full force and effect.

10. <u>Notices</u>

Any notice or other communication required or permitted to be given hereunder must be in writing and given by facsimile or other means of electronic communication, or by hand-delivery, as hereinafter provided. Any such notice or other communication, if sent by facsimile or other means of electronic communication or by hand delivery, will be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by this section. Notices and other communications will be addressed as follows:

(a) if to the Executive:

Marianne Marck

7052 NE New Bainbridge Rd, Bainbridge Island WA 98110 USA
Address

____

____

mariannemarck@yahoo.com
E-mail

(b) if to the Company:

9500 Glenlyon Parkway
Burnaby, British Columbia V5J 0C6
Attention: Corporate Secretary
Facsimile: (778) 331-5501

11. Copy of Agreement

The Executive hereby acknowledges receipt of a copy of this Agreement executed by the Company.

RITCHIE BROS. AUCTIONEERS (CANADA) LTD.

By: */s/ Darren Watt*

Name: Darren Watt

SIGNED, SEALED AND DELIVERED by **MARIANNE MARCK** in the presence of:	)	
* /s/ Neil Marck*	)	*/s/ Marianne Marck*
Signature	)	**MARIANNE MARCK**
Neil Marck	)	
Print Name	)	
7052 NE New Bainbridge Rd, Bainbridge Island WA 98110 USA	)	
Address	)	
Self Employed	)	
Occupation		

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, Ravichandra K. Saligram, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ritchie Bros. Auctioneers Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2016

/s/ Ravichandra K. Saligram

Ravichandra K. Saligram
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, Sharon R. Driscoll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ritchie Bros. Auctioneers Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2016

/s/ Sharon R. Driscoll

Sharon R. Driscoll
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Ritchie Bros. Auctioneers Incorporated (the "Company") on Form 10-Q for the period ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ravichandra K. Saligram, Chief Executive Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2016

/s/ Ravichandra K. Saligram

Ravichandra K. Saligram
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Ritchie Bros. Auctioneers Incorporated (the "Company") on Form 10-Q for the period ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sharon R. Driscoll, Chief Financial Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2016

/s/ Sharon R. Driscoll

Sharon R. Driscoll
Chief Financial Officer