

AUCTION TERMS AND CONDITIONS
WOLVEGA INTERNATIONAL YEARLING SALE FOUNDATION

GENERAL

1. The Wolvega International Yearling Sale Foundation organizes a yearling auction under the name **Wolvega International Yearling Sale** (hereinafter referred to as “the auction organization”) at VICTORIA PARK WOLVEGA on **Saturday, October 21, 2017**. The auction will take place under the supervision of the Werven Netwerk Notarissen in Wolvega.
2. These terms and conditions apply to the relationship between the *Wolvega International Yearling Sale Foundation*, the seller and the bidder/buyer and on all agreements concluded at the auction between seller and buyer with respect to the horses offered in the auction by *Wolvega International Yearling Sale Foundation*, as well as all similarities arising therefrom. Everything mentioned in these auction terms and conditions is expressly applicable to all professionals (read: trainers, sulky drivers, breeders, merchants, etc.) as well as to all individuals. The participation in this auction implies acceptance of these terms and conditions. The relationship between *Wolvega International Yearling Sale Foundation* and the seller is an engagement agreement.
3. The purchase agreement is concluded directly between seller and buyer under the obligation of seller and buyer to pay the auction costs set out in these auction terms and conditions to *Wolvega International Yearling Sale Foundation*. *Wolvega International Yearling Sale Foundation* can in no case be considered as seller or bidder/buyer.
4. All stipulations in these auction terms and conditions have been made for the benefit of all those who are or were employed by or on behalf of *Wolvega International Yearling Sale Foundation*. The provisions of these auction terms and conditions apply directly to these persons, as if they were the *Wolvega International Yearling Sale Foundation* itself.
5. A possible positive operating balance of *Wolvega International Yearling Sale Foundation* will be for the benefit of the prize money/horse races at VICTORIA PARK WOLVEGA.

THE AUCTION

6. All horses to be sold shall be present on **Saturday, October 21, 2017** in the afternoon, and can be guided to the stable premises of VICTORIA PARK WOLVEGA.
7. An auctioneer appointed by the Wolvega International Yearling Sale Foundation will auction the horses the same evening on VICTORIA PARK WOLVEGA. The horses will be sold outright, without proceedings or recompense, in the physical state in which they were allotted.
8. The auctioneer reserves at all times the right to change the order of the horses to be sold or to refuse persons as bidder/buyer without giving any reason.
9. Bidders/buyers are expected to have sufficient capacity to act and to be sane. Each bidder is expected to bid for himself/herself and to follow through on his/her bid until a higher bid has been accepted. A bidder/buyer, in addition to his/her possible principal, is fully liable for the non-compliance of his/her obligations. A seller who appears to have repurchased his horse is also considered to be a bidder/purchaser and the seller hereto referred, is also subject to all provisions

[including all (payment) obligations] of these auction terms and conditions that relate to bidders/buyers.

10. Registered horses are auctioned with a minimum bid of 1,500.- euros. Up to 5,000.- euros, the bids are continuously increased to outbid the previous bid of at least 250.- euros; from 5,000.- up to 10,000.- euros, with an increase to outbid the previous bid of at least 500.- euros; from 10,000.- euros up to 25,000.- euros, with an increase of at least 1000.- euros per bid; from 25,000.- euros up to 50,000.- euros, with an increase of at least 2,000.- per bid and from 50,000.- euros or more, with an increase of at least 5,000.- euros per bid. The auctioneer determines the amount of the opening bid. If no opening bid is made, the auctioneer can lower the opening bid to 1,000.- euros. If no opening bid is made, the horse shall not be sold.
If the auctioneer is mistaken, he has the right to rectify his mistake.
11. The horse's risk is immediately transferred from the seller to the bidder/buyer at the moment of allotment.
12. The bidder/buyer must sign a written purchase agreement immediately upon allotment with proof of identity. If the bidder/buyer does not fulfill this requirement, the provisions in Article 19 and 20 shall apply accordingly.

INFORMATION

13. The *Wolvega International Yearling Sale Foundation* determines the catalogue order and has attempted to compile the catalogue as accurately as possible. The information about the pedigrees is aimed at giving an impression of the horses without pretending to be complete.
14. It is the responsibility of the seller to check the accuracy of the information in the catalogue and to notify "the auction organization" before the auction, in time and in writing, of any errors or omissions, indicating as detailed as possible the changes and/or additions to be made.
15. A veterinary inspection is required. The horses must be inspected according to a protocol determined by the *Wolvega International Yearling Sale Foundation*.

The present veterinary reports and X-rays can be viewed on the day of the auction. The contents of these veterinary reports and X-rays are binding for "the auction organization", the sellers and the bidders/buyers.

16. Bidders/buyers are obliged to provide information on their financial solvency, upon request of "the auction organization", with which they must submit documents that prove this solvency. By participating in this auction, bidders/buyers authorize "the auction organization" to obtain information from third parties regarding their financial solvency.

REGISTRATION, COSTS, PAYMENT AND DELIVERY

17. The entry fee is € 500,- (to be increased with sales tax) and is payable on assignment. Seller pays 5% commission on sales price (to increase with sales tax). Seller is also considered to be the buyer upon withholding (read: repurchase); In case of repurchase, the commission is also 5% (to increase with sales tax).

18. When the seller owes the entry fee to *Wolvega International Yearling Sale Foundation* (in accordance with the provisions of Article 17), he will ensure that the amount is paid to the *Wolvega International Yearling Sale Foundation's* bank account within 21 days, stating the name of the yearling(s). The seller and his horse(s) will only be admitted to the auction after he has submitted the documents that indicate that the amount has been fully paid.
In case the seller is VAT entrepreneur, the (discounted) purchase price is exclusive of sales tax. The seller must pay the tax service himself for payment of the sales tax.
19. The bidder/buyer must pay at the auction, a commission of 5% on the discounted purchase price (to increase with sales tax). The purchase price plus sales tax and the commission plus sales tax together makes up the total purchase price of the relevant horse, payable at the secretariat of *Wolvega International Yearling Sale Foundation*, in euros and without any discount or deduction.
20. If the bidder/buyer is in default, "the auction organization" has the right to re-auction the horse immediately, with the bid of the original bidder/buyer not being accepted again. The original bidder/buyer is obliged to meet the difference between his bid and a possible lower purchase price after re-auction as well as the cost of re-auction at *Wolvega International Yearling Sale Foundation*. The original bidder/buyer will have no claims in the case where there is a higher purchase price after the re-auction.
21. The *Wolvega International Yearling Sale Foundation* does not use a premium for the highest bid.
22. The *Wolvega International Yearling Sale Foundation* does not use trainer provisions.
23. Only with the prior authorization of "the auction organization", the bidder/buyer has the right to pay the amount due with a transfer to the bank account of the *Wolvega International Yearling Sale Foundation* within 14 days after this auction. "The auction organization" reserves, inter alia, the right to withhold the aforementioned permission if the bidder/buyer does not, in the opinion of "the auction organization", demonstrate its financial solvency or fails to provide any or insufficient security through a bank guarantee or otherwise. Also, "the auction organization" is entitled at any time to withdraw any permission if, in its opinion, there is doubt about the bidder's/buyer's financial solvency or the security provided by him.
24. Payment to anyone other than *Wolvega International Yearling Sale Foundation* does not release the bidder/buyer from his payment obligations for the aforementioned.
25. If the *Wolvega International Yearling Sale Foundation* has not received the total payment of the bidder/buyer within 14 days of the auction, the bidder/purchaser shall be in default. The bidder/buyer is then obliged to pay "the auction organization" a fee equal to 10% of the purchase price (plus sales tax) in addition to the remaining amount owed by him, plus an interest of 1.5% per month on the total amount due from the day of the auction until the time of full payment.
26. If the *Wolvega International Yearling Sale Foundation* has not received the full payment from the bidder/purchaser within 14 days of the auction, "the auction organization" also reserves the right, without notice on behalf of the seller and without his consent, to consider the sale as dissolved. In that case, the seller and the bidder/buyer shall remain obliged towards *Wolvega International Yearling Sale Foundation* to fulfill all of the payment obligations mentioned in these terms and

conditions as far as they concern a compensation to the *Wolvega International Yearling Sale Foundation*.

27. If the seller and/or bidder/buyer is/are in default of his/their payment obligations towards the *Wolvega International Yearling Sale Foundation*, then all (extra)legal costs that the *Wolvega International Yearling Sale Foundation* may incur as a result thereof shall be for the account of the aforementioned.
28. If and only after all (payment) obligations to *Wolvega International Yearling Sale Foundation* have been fulfilled by both seller and bidder/buyer, then “the auction organization” will pay the seller the purchase price (minus remittances) no later than one month after that date.
29. Settlement of mutual claims by the seller or by the bidder/buyer related to the *Wolvega International Yearling Sale Foundation* is excluded. *Wolvega International Yearling Sale Foundation* is entitled at all times to settle mutual claims.

ABSENCE OF HORSES ON THE AUCTION

30. In case a horse, by the assessment of the seller, cannot participate in the auction due to health reasons, the seller must notify the *Wolvega International Yearling Sale Foundation* on time, in writing and with a clear description of the condition, after which a veterinarian shall be appointed by “the auction organization” and will determine the nature of the condition. The determination of the relevant veterinary in this respect is binding.
31. In case the seller (and in the binding opinion of the veterinary surgeon) does not provide or does not provide sufficient opportunity to allow the horse to be examined on time and therefore the horse, despite the veterinary surgeon’s approval, does not participate in the auction, the seller owes in both case the minimum commission and a fine of € 2.500,= (to be increased with sales tax) referred to in Article 17 to *Wolvega International Yearling Sale Foundation*.

DELIVERY, ISSUANCE AND REMOVAL OF HORSES

32. Sellers are obliged to deliver their horses (at their own expense) in a good auction condition at the auction site. If, in the opinion of “the auction organization”, the horses do not comply with this requirement, “the auction organization” is authorized to place them in auction condition, whereby all reasonable costs incurred by and in the opinion of the *Wolvega International Yearling Sale Foundation* will be borne by the relevant sellers.
33. Immediately after the allotment, the bidder/buyer is responsible for the care of the horse purchased by him, while he will only be able to dispose of the horse and obtain the necessary documents, after having fully met his (payments) obligations.
34. The bidder/buyer must remove the horse purchased by him at the latest on the day after the auction at 09.00 am at VICTORIA PARK WOLVEGA at his own expense. If the bidder/buyer has not removed the horse in time, he shall be in default. “The auction organization” then reserves the right to remove the horse from VICTORIA PARK WOLVEGA and stable it elsewhere, whereby reasonable costs incurred by and in the opinion of “the auction organization” will be borne by the aforementioned bidder/buyer. This bidder/buyer will at all times be responsible for the care of and liable for the damage to the horse and/or caused by the horse.

35. "The auction organization" is not obliged to deliver the horse if the bidder/buyer has not fully met (payment) obligations.

STABLE VICES AND DEFECTS

36. If the bidder/buyer finds that the purchased horse suffers from stable vices, such as cribbing, weaving and/or air sucking, the bidder/buyer must, within 3 working days of the auction *Wolvega International Yearling Sale foundation*, notify this in writing and with the fullest possible description about the nature of the stable vices. Then, the *Wolvega International Yearling Sale Foundation* will stable the horse at a location to be determined by them to examine the horse by a veterinarian appointed by them on stable vices described by the bidder/buyer. The aforementioned veterinarian determines the nature and severity of the stable vices and his assessment is binding. If the veterinarian, in his opinion, detects stable vices mentioned by the bidder/buyer, the seller must meet the costs incurred (including the stable, transportation and veterinary costs) to *Wolvega International Yearling Sale Foundation*. The bidder/buyer must pay the said costs to the *Wolvega International Yearling Sale Foundation* if the veterinarian, in his opinion, does not detect stable vices described by the bidder/buyer.

The provisions in Article 36 also applies if the bidder/buyer finds other defects (other than the abovementioned stable vices) with the purchased horse, the outer deadline is 7 working days for all other defects; except for 2 hereinafter named defects, namely laryngeal paralysis = 6-week term and arthrosis = 8-week term after date of purchase. The *Wolvega International Yearling Sale Foundation* is excluded from any liability regarding the veterinary condition of the yearlings that are sold at this sale. This includes possible osteochondrotic faults or defects in the knee- and hock-joints. (of: knees and hocks)

37. If the bidder/buyer does not notify the said stable vices within the aforementioned period of 3 days after the auction, nor within 7 days for all other possible defects and/or if the said veterinarian does not detect the stable vices or (other) defects, the right of the bidder/buyer ceases to dissolve the sale or to appeal to vitiated consent.

DISSOLUTION AND ANNULMENT

38. If the sale is lawfully dissolved or annulled by the bidder/buyer or seller, the bidder/buyer and seller shall continue to meet all of the payment obligations mentioned in these auction terms and conditions to the *Wolvega International Yearling Sale Foundation* for in so far as they concern a compensation for the *Wolvega International Yearling Sale Foundation*. The sale may be dissolved or annulled in accordance with the applicable legal provisions, insofar as it has not been lawfully deviated from these auction terms and conditions.

LIABILITY

39. *Wolvega International Yearling Sale Foundation* is not responsible for the accuracy of the information contained in the catalogue, nor for the information given on the site of VICTORIA PARK WOLVEGA or for the information given at the auction at VICTORIA PARK WOLVEGA. The seller indemnifies *Wolvega International Yearling Sale Foundation* against any claim by third parties (including bidders/buyers) for damage resulting from failure to comply with the control and notification obligation by the seller in the catalogue as referred to in Article 14.

40. The *Wolvega International Yearling Sale Foundation* is not responsible for the accuracy of the information contained in the veterinary report, nor for the veterinary information given on the site of VICTORIA PARK WOLVEGA or for the veterinary information given at the auction at VICTORIA PARK WOLVEGA.
41. *Wolvega International Yearling Sale Foundation* is not responsible for damage suffered prior to, during or after this auction by and/or to persons, goods or horses.
42. *Wolvega International Yearling Sale Foundation* will not sign insurances for the benefit of sellers in the case of, among other things, horses. As sellers and bidders/buyers participate at this auction entirely at their own risk, the auction organization advises them to sign such insurance itself. In case of death of the horse on the day of the auction, while the seller or bidder/buyer concerned does not receive any compensation on the basis of any insurance that he may have, the *Wolvega International Yearling Sale Foundation* will refund the registration fee of 500.- euros (excl. VAT) to the seller concerned and refund to the relevant bidder/buyer the due amount. With the abovementioned refund, *Wolvega International Yearling Sale Foundation* provides service to sellers and/or bidders/buyers without the *Wolvega International Yearling Sale Foundation* recognizing any liability and without the possibility for sellers and/or bidders/buyers to derive any rights from this now or in the future.
43. Anyone who damages goods (owned/used by) from: VICTORIA PARK WOLVEGA and/or *Wolvega International Yearling Sale Foundation* (and/or persons working for them) is jointly and severally liable for this damage. The sellers and/or bidders/buyers and/or other visitors are liable for all damage caused by them; they indemnify "the auction organization" of any third party claim in respect thereof, including other sellers and/or other bidders/buyers and/or other visitors.
44. In the event of the transfer of auctioned horses to another Member State of the European Union at the request of the seller and/or bidder/buyer, invoiced with the VAT zero rate, this seller and/or bidder/buyer is obliged upon the horse's arrival at the Member State to fulfill all the necessary requirements in order to achieve a valid intra-community transaction.
45. If the application of the VAT zero rate by any circumstances (afterwards) is not possible, then the seller and/or bidder/buyer is still due the amount that would be due as if it were just a domestic delivery of the relevant horse. The seller and/or bidder/buyer will at all times be responsible for fulfilling the terms set forth in Article 45, and shall at all times indemnify the *Wolvega International Yearling Sale Foundation* for all damages resulting from failure to comply with this aforementioned (delivery) conditions.
46. *Wolvega International Yearling Sale Foundation* is not liable for third party shortcomings. This includes the default of the bidder/buyer. *Wolvega International Yearling Sale Foundation* excludes liability except in the event of intentional or gross negligence of the *Wolvega International Yearling Sale Foundation*.

CONVERSION AND DISPUTES

47. If one or more of the provisions mentioned in this auction terms and conditions are not or become invalid, the remaining provisions will remain valid. In that case, instead of the (old) non-legally valid provision referred to above, a new provision shall enter into force, which corresponds as closely as possible to the (old) non-legal provision in question as far as possible with regard to content.

48. In the case of a difference of opinion on who has made the highest bid or if there are other difficulties, confusions and disputes arising from bidding and/or allotment, the auctioneer is authorized to make a binding ruling on this. In the case of the foregoing difference of opinion regarding the highest bid, the auctioneer is authorized to continue the sale at auction.
49. If the auctioneer requests the notary to file a verdict, the notary will decide bindingly and irrevocably for all parties. The notary is also authorized to judge other matters relating to bids and allotments during the auction.
50. The legal relationships between *Wolvega International Yearling Sale Foundation* and the sellers and bidders/buyers are governed exclusively by Dutch law, with the sole exclusion of the Vienna Convention (CISG).