

ARABIAN HORSE AUCTION at MICHAŁÓW STUD

5th of November, 2016

CONDITIONS OF THE AUCTION

Participation in the bidding

1. Bidding in the auction is available on equal terms without any restrictions to natural persons, legal persons or other entities possessing legal capacity.
2. In order to participate in the bidding one must pay a deposit of 1000.00 PLN (say: one thousand Polish zlotys) in the sale office no later than half an hour before the start of the bidding or onto the following account: ING O/Pińczów 34 1050 1429 1000 0022 0633 1288 in such a way that the deposit shall be recorded at the stud's bank account no later than on the 4th of November, 2016.
3. The payment of the deposit allows to participate in the bidding of each horse. By paying the deposit the buyer accepts the conditions of the auction and commits to comply with them.
4. The paid deposit is treated as an integral part of the contract price. The deposit shall be returned immediately after the auction if the purchase is not effective.

Bidding and the sale of the horses

5. The sale will be held in the form of a public auction, which will begin at 12:00 noon.
6. The bidding will be conducted in the usual way practiced at horse auctions. The bidding will be conducted in Polish zlotys. The minimum bid increment is 500.00 PLN (say: five hundred Polish zlotys).
7. Each horse has a reserve price, which is the minimum price for which the horse can be sold, set by the Owner. The reserve price will not be made public before, during or after the auction. Each horse will be sold to the Buyer for its highest bid price, no lower than the reserve price, unless stated otherwise.
8. The bid purchase prices are net prices, which will be increased by the applicable VAT rate (8%). The VAT amount will be reimbursed to those clients who:
 - a. possess a European Union VAT registration number and will confirm the intra-community delivery of the collected horses,
 - b. will present export documents confirming the export of the purchased horses out of the territory of the European Union under the condition that the customs clearance procedure will be started in the territory of Poland and will be completed within 6 months from the date of making full payment for the purchased horses.
9. The sale contract is concluded by the "fall of the hammer".
10. The auctioneer reserves the right to refrain from accepting any bid, as well as to make any bidding null and void without giving a reason.
11. In case a dispute arises between two or more bidders the horse in dispute will be put up for bidding again starting from the highest price from before the dispute or the dispute will be settled by the auctioneer.

12. Michałów Stud (Stadnina Koni Michałów sp. z o.o.) reserves the right to withdraw any horse from the auction before or during the bidding without giving a reason.

Duties of the buyer

13. The Buyer of each horse is obliged to:

- 1) state the exact personal data and present an identification document or documents confirming the legal status of his/her business,
- 2) sign the sale contract form presented by Michałów Stud (Stadnina Koni Michałów sp. z o.o.) immediately after the "fall of the hammer",
- 3) pay the total contract value, deducting the deposit amount treated as an advance on the purchase of the horse, by wire transfer to the account of Michałów Stud (SK Michałów sp. z o.o.) at **ING Bank Śląski S.A. O/Pińczów nr 34 1050 1429 1000 0022 0633 1288 within 10 days counting from the date of the bidding** (domestic and European Union buyers) or within seven days counting from the date of obtaining the results of veterinary tests allowing the shipment of the horse abroad (buyers from outside the European Union only).
- 4) collect the horse purchased at the sale at his own expense on the date and at the place specified by the Seller.

14. If the Buyer fails to fulfil any of the conditions specified in point 13:

- 1) he loses the deposit without the possibility of its return or any negotiation,
- 2) he loses the right to the horse as though he would resign from the purchase,
- 3) each horse and the offspring foaled after the auction out of a mare described as "in foal" but not collected or not paid on time can be sold once again. In any case the sale may take place immediately or at a later time during a public auction or direct sale.

15. The title of ownership concerning the purchased horses or the offspring foaled after the auction out of mares described as "in foal" will not be transferred onto the Buyer unless he pays the full purchase price of the horse together with other due amounts associated with these hereby conditions or other dues owed to Michałów Stud.

16. The risk associated with the purchased horses together with their offspring foaled after the auction is transferred onto the Buyer with the "fall of the hammer" during the auction.

17. Collecting a purchased horse from the place of the auction is possible only in case of immediate payment of the total purchase price by wire transfer to the bank account of Michałów Stud (SK Michałów sp. z o.o.) or by cash at the stud's cashier office.

18. After the auction the sold horses will be stabled at the risk of the Buyer and at the expense of the Stud up to 14 days after the auction. After this time the Buyer will cover the cost of stabling the horse at a price of 30.00 PLN (say: thirty Polish zlotys) per day. Other solutions regarding transport or stabling the horses after the time specified in these hereby conditions will be regulated by individual agreements between the Buyer and Seller.

Recommendations for the Buyers

19. It is recommended that each Buyer carefully inspects the horses before the purchase. Each horse is sold "as is" and there is no guarantee under any condition of the sale that a

particular horse meets the specific requirements regarding quality or is suitable for training, reproduction or other planned objectives.

20. Horses can be inspected in the stable from 9:00 am on the day of the auction until the moment of starting the bidding.

21. All horses are sold on the conditions specified by Michałów Stud in these hereby conditions. All statements and corrections concerning the data in the catalogue announced during the auction are in force and due to that all the Buyers are obliged to be present at the beginning of the bidding of a particular horse to learn all announcements concerning this horse.

Descriptions, health, returns and disputes

22. Each horse offered at the auction has a confirmed pedigree, a passport and up-to-date vaccinations against influenza.

23. Each horse offered at the auction has had a general health check - at the request of the Buyer the veterinary officer will issue an appropriate statement.

24. Each mare described as "in foal" has a breeding certificate and a veterinary officer statement in written form confirming the pregnancy with the date of the examination. The certificate along with its copy is available for viewing in the sale office.

25. Each male horse incorrectly described as a "stallion" in the case of a unilateral or bilateral crypt-orchid is returnable, unless this has been indicated in the description of the horse.

26. Each horse which is a "weaver" or "box walker" shall be returnable, unless these vices are indicated in the description of the horse.

27. The Buyer has a right to return the purchased horses due to vices referred to in points 25 and 26 under the condition that: within 7 days counting from the date of releasing the horse Michałów Stud receives a written notice from the Buyer with a request to perform an inspection of a purchased horse in which one of the above mentioned vices is found or to conclude that the horse has not been correctly described in accordance with these hereby conditions.

28. Each horse, whose blood test results exclude the possibility of export shipment, shall be returned.

Responsibility

29. All persons present at the auction grounds during the auction and events related to the auction are doing so at their own risk. The organizer of the auction will not be held responsible for any damage to health or property suffered by these persons during the auction or events related to the auction.