

FENCES SALES CONDITIONS

(In case of dispute, only the French version of the sales conditions is applicable)

FIRST - Admittance to the sales complex

As the sales being public, admittance to the sales complex is free of charge. Viewing and inspection of horses can be dangerous, any person attending the sales will do so at his own risk and must comply with the safety regulations established by the FENCES Sales management. The owner-vendors of the horses and sales management will not be liable in case of an accident occurring to a visitor.

Vendors and Buyers are deemed to be acquainted with and to accept these Sales Conditions with no reservations. They apply to all transactions made at Sales organized by FENCES.

SECOND. - Public Auction Sales

In accordance with the law, Public Auction Sales are conducted by licensed Auctioneers appointed by Fences Société de Ventes Volontaires.

FENCES acts as the organizer of the sale and common agent for both the vendor and the buyer and provides technical and material assistance to the Auctioneers conducting the Sale.

These Sales conditions apply in all their particulars so long as they are not contrary to those announced prior to the Sale by the auctioneers and so recorded.

Agence FENCES and the Auctioneers accept no liability to Vendors or Buyers. More generally, Agence FENCES and the Auctioneers are liable in no way to buyers and vendors or to any third party for breach of these Sales Conditions.

THIRD. - Bidding

Payment in full for any lot purchased is immediately due.

Agence FENCES and the Auctioneers reserve the right to reject any bids made by individuals whose credit worthiness is not notorious. Such as for instance, any Bidder having an unpaid account with Agence FENCES.

In accordance with the law, bidding will be conducted excluding taxes and in euros; conversion into foreign currencies is only provided for information.

Should two or more Bidders make equivalent bids on the same horse at the same time, either spoken or by sign, and claim the horse at the same time at the fall of the hammer, the afore mentioned horse will be immediately reoffered for bidding opening at the last bid to have been taken and bidding open to everyone present. The horse will be knocked down to the highest and last bidder.

FOURTH. - Unacceptable Bid or 'Folle enchère'

Agence FENCES will have the right to re-sell any animal whose Buyer fails to make settlement for his purchase or to sign the acknowledgement of Purchase, the same day (or the day after) after the last Lot of the day.

In the case FENCES considers the Buyer to not offer sufficient guaranties for the payment of his purchase, Fences is then authorized, should immediate payment not be made, to re-sell the Lot in the same Sales session under the procedure known as 'folle enchère' or unacceptable bid, after the last Lot of the day (or the day after), with no prior recourse to law, this sale is made at the sole risk of the defaulting Buyer whom will then become liable for the full amount of the sales tax applicable to the first sale as well as the 'folle enchère' or unacceptable bid sale to the vendor. In which case Agence FENCES, will only be liable to pay the vendor the amount realized from the second sale (folle enchère or unacceptable bid).

In case of a second sale by unacceptable bid or 'folle enchère', unless Agence FENCES receives different instructions from the vendor, which will be given to the Auctioneer before the sale, the original Estimated Value will remain the same.

In the same conditions, if immediately after the fall of the Hammer, the Buyer is not found to sign the acknowledgement of Purchase, the horse will be re-sold during the same Sales session. In this case, Agence FENCES will accept no liability towards the vendor or the defaulting Bidder.

FIFTH. - Information to be supplied by the Seller

The seller agrees that his name or the name of the company that is the primary owner of his horse appears in the sales catalogue as owner or presenter of his horse.

It is the vendor's responsibility to provide in writing prior to the Sale all declarations or information they wish to be made public. Agence FENCES and the Auctioneers are only answerable for the consistency of statements made by the vendor with those made to the public, but in no way for the accuracy or sincerity of the Seller's statement namely concerning description of the horses, their pedigree, place of birth, markings, earnings, future engagements, hidden defects under guarantee, applicability of VAT, etc... The seller is therefore responsible for reporting in writing before the sale, any error or omission in the catalogue so that an appropriate announcement can be made to the Public from the rostrum and therefore recorded.

Any Seller who does not provide Agence FENCES with a written correction of the information in the catalogue, regarding horses

consigned by him, before the sale, shall be deemed to have verified such information and its accuracy shall therefore be his sole and entire responsibility.

The seller expressly permits Agence FENCES to use and particularly upload on the website www.fences.fr and www.fencesweb.com/live the horse images during the selections as well as the X-rays images and the count of their interpretation.

SIXTH. - Veterinary examination

Each horse has been examined by a veterinarian appointed by FENCES within 220 days preceding the date of the sale. X-rays of the fore feet are available for the buyers at the Sale Office and on the website www.fences.fr

Agence FENCES will mandate a veterinarian to check that the official description of the animal conforms and of a clinical exam. In case of an inquiry, a vendor will have to agree to a blood test. He will, if asked to do so by the buyer, will cross-examine the horse immediately, without FENCES being liable in case of mistake or wrong diagnosis. If he wishes, the buyer may request an anti-doping test at his own expense immediately after the auction. He must indicate this on the purchase slip and go, or be represented, at the stables where the sales veterinarian will take a blood sample in the presence of the seller or his representative.

SEVENTH. - Withdrawal

By registering his horse for sale, the seller undertakes not to sell it before the sale for which it was selected and to present it for sale at the time specified in registration form.

Only a health problem, supported by a veterinary certificate establishing the absolute impossibility to participate in the sale may justify its absence.

Failing this, the seller will be liable to Agence FENCES with a penalty equal to 20% excluding taxes of the estimated value of the horse indicated on his commitment form with a minimum of 5 000 euros (excluding VAT).

EIGHTH. - Certificates

The horses consigned by the Vendor must be accompanied by valid documents such as: a Stud-Book Certificate and Registration Card, ownership paper, a valid Passport and a Covering Certificate up to date mandatory vaccination for In Foal Mares.

These documents must be given by the Vendor to Agence FENCES before the sale. If the documents are not submitted in good time, the Vendor may be held responsible, without prejudicing against the rights of Agence FENCES to refuse to put the animal up for auction.

Deposit and withdrawal of horses will only be possible when Agence FENCES is given all documents concerning all the horses in the Sale.

Deposit and withdrawal documents will always occur in the Sales Office. Payment to the Vendor will only occur when he has given Agence FENCES the travelling documents.

NINTH - Guarantee concerning latent defects

The horses presented for auction are sold according to custom, without warranty, in particular for hidden defects.

However, the Seller must ensure the Purchaser against redhibitory defects, listed by articles R 213-1 and following of the Rural Code, that are not declared by the former prior to the sale. Any claim based on the said redhibitory defects must be commenced by the purchaser in accordance with the provisions set out by articles L213-1 and following of the Rural Code, that is to say within ten days of the sale, not including the day of the sale, save for leptospirosis and infection anaemia for which the relevant period is within thirty days, not including the day of sale. All deadlines expire on the last day at midnight. Any deadline that would normally expire on a Saturday, Sunday or public holiday is extended to the next working day. Within these periods and on penalty of inadmissibility the purchaser must present to the Judge of the Court where the horse is based a claim seeking the appointment of an expert responsible for preparing a report on the horse examination. Within these same deadlines, the purchaser must inform the Seller as well as the FENCES Agency (by registered letter) of the presentation of its claim to the Judge. A claim to rescind the sale commenced by the purchaser must be brought directly against the Seller, whose name will be provided by the FENCES Agency upon request. In no case may such a claim seek to engage the liability by the FENCES Agency, or of the auctioneer who may not be held liable. No claim is admissible if the purchaser has not settled the total amount of his purchase in cash. In the event of a redhibitory defect, the funds will remain deposited in the FENCES Agency account.

TENTH. - Sale of a stallion or a broodmare

All vendors of broodmares will have to state precisely: the mare's produce record, year by year, since she first came to stud, identifying the missing products as still-born, died at birth or died in an accident; also, the date of the latest service and presumed stage of pregnancy.

The Vendor is responsible for the accuracy of such information. Any complaint by the buyer for a mistake or omission can only be filed against the Vendor.

The Vendor is authorized to ask the rostrum to announce the confirmation of stage of pregnancy by producing a veterinary certificate dated during the fifteen days before the sale. The buyer is authorized to have the mare examined by a veterinary surgeon

approved by the Vendor within 24 hours of the sale and before the mare leaves the sales grounds.

Eventually, the Buyer of a filly is entitled, before the sale, to have the filly examined by a veterinary Surgeon appointed by Agence FENCES and on duty during the sale, to check on her capacity to be used as breeding stock, particularly her genital apparatus. For in-foal mares, the seller commits himself to paying the outstanding balance for the nomination in the autumn or at the time of foaling. Unless there are specified notifications, a stallion cannot be sold with a total guarantee of its fertilized semen. Moreover, in any case these criteria can cancel the sale.

If a horse is sold with the mention "Stallion Guarantee" on its catalogue page, this means that, if the relevant examinations are not included in the veterinary file, the buyer may have an endoscopy, and a semen analysis carried out within 30 days following the sale. The buyer must indicate on the purchase slip his potential intention to have such examinations performed, and if the results do not confirm the stallion's ability to be used for public stud with fresh semen, the sale shall be automatically cancelled. The inability to freeze semen shall not constitute grounds for cancelling the sale. If no negative result is officially submitted to Agence FENCES within 30 days after the auction, the sale shall be considered final and the buyer shall no longer have any recourse against the seller.

ELEVENTH. - Additional guarantees

Beyond the legal warranty against latent defects, FENCES offers buyers of horses listed in this catalogue an additional service and warranty:

Mortality and Emergency Life-Saving Surgery Insurance:

FENCES provides the buyer with Mortality and Emergency Life-Saving Surgery Insurance for a duration defined in advance by FENCES. This coverage begins at the time of the sale and is valid up to the hammer price plus sales fees. The General Terms and Conditions of this insurance policy, which is taken out by FENCES through EQUINAXY (a commercial brand of Finaxy Santé Animale), are provided to the buyer on the day of purchase.

As part of this enrollment, the personal data collected is intended for EQUINAXY and the insurer for the processing of your membership to the contract. Your data is kept until the end of the applicable statutory limitation periods.

You have the right to information, access and data portability, rectification, erasure, restriction, and objection to the use of your personal data.

EQUINAXY has appointed a Data Protection Officer (DPO). For any request to exercise your rights, question, or complaint regarding your data, you may send a signed letter along with a copy of your ID to: EQUINAXY – GDPR Complaint 74-78 rue Anatole France 92300 Levallois-Perret, France or send an email to: dpo@finaxy.com with the subject line "GDPR Complaint". For any complaint to the Commission Nationale Informatique et Libertés (CNIL), you may write to: CNIL – 3 Place de Fontenoy – TSA 80715 – 75334 Paris Cedex 07, France.

In addition to the guarantee concerning latent defects, the Fences Guarantee offers two additional guarantees to buyers of horses featuring in the current catalogue:

A mediation insuring recovery of the unfit horse for three months:

In addition to the legal warranty against redhibitory defects, the FENCES Agency offers to the buyers of the horses listed in the present catalogue a complementary service and warranty:

The FENCES Agency offers the Buyer a warranty of mortality and emergency surgery costs up to 2 000€ for one month (30 days) from the date of the auction, up to the amount of the auction price plus the selling expenses. This warranty, subscribed with an insurance company under its own conditions, currently with EQUINAXY, will be given by the company to the buyers. In case of mediation, this insurance will be extended for 5 months (150 days) to ensure its proper conduct.

A three-month mediation to recover an unsuitable horse: In case of defect affecting a substantive quality of the horse purchased for sporting use, the FENCES Agency undertakes to complete mediation between the purchaser and the Seller for any dispute arriving within THREE MONTHS from the auction.

The purchaser may only have the benefit of this warranty under the following conditions:

- having fully paid the FENCES Agency the horse's auction amount,
- having sent to the FENCES Agency and to the Seller by registered post with acknowledgement of receipt, a veterinary certificate establishing the existence of defects affecting a substantive quality of the horse,
- accepting to hand over the horse within 15 days of receipt of the complaint at the place agreed with the FENCES Agency,
- having made normal use of the horse between the sale and the time of the complaint,
- accepting that the horse undergoes potential treatment with the Seller's consent. The purchaser remains liable for the transport and board costs,
- accepting that the treatment costs be paid for by the party that will own the horse at the end of the mediation,
- accepting that the FENCES Agency retains the funds until the end of the mediation,
- that it is not an apparent defect, known by the purchaser through consultation of the veterinary report provided by the

FENCES Agency prior to the auction, a defect resulting from an accident, normal use or an illness subsequent to the sale and that the use of the horse is normal.

Once the treatment is complete, and within 60 days from the complaint, either the horse is fit again and it is handed over with a health certificate for the purchaser, or the horse is unfit, and the purchaser is reimbursed the amount of its purchase invoice up to ONE HUNDRED THOUSAND EUROS (€ 100,000). The warranty is limited to the return of the price on the purchase invoice excluding all costs or damages for any other loss. Transport and board costs remain the responsibility of the purchaser. If the purchaser contests the health of the horse the parties accept to appoint an expert each, the experts together shall appoint a third expert, and to accept their joint conclusion. Each party accepts to pay 50% of the fees of the third expert appointed by the first two experts.

The Seller shall, in case of defect prior to the sale and unknown to the purchaser, of a substantive quality of the unfit horse, to take back the horse at its own expense. It shall receive a fixed rate compensation the amount of which is fixed on the warranty certificate.

This contractual mediation warranty is distinct from and is no substitute for the statutory warranties due by the Seller under article 9 above, in particular on the warranty of conformity of the goods sold under articles L 212-1 and following of the Consumer Code, of article 1603 of the Civil Code on correct delivery or of article 1648 of the Civil Code on the warranty for hidden defects. This warranty is exhaustively listed above.

In any event legal action on a Seller's warranty cannot be commenced against the FENCES Agency. The FENCES Agency do not replace the Seller who owes the legal warranties to the purchaser. Any legal action relating to the sale must be directed against the Seller whose name will be disclosed by FENCES Agency to the purchaser upon request. In no event may such an action be brought against the FENCES Agency, which cannot be held liable.

TWELFTH. - Responsibilities of Vendors

The sellers accept without reservation that their horses are sold. For the Auction, horses for sale must arrive in the sale complex according to Fences instructions.

The Vendor will have to be present or represented while his horses are being sold to make any necessary decisions, particularly in the event of an unacceptable bid.

In the case, the general health condition of a horse is obviously not satisfactory, FENCES has the right to refuse to present the horse at the Sale with no charge attached for FENCES. No penalty will be charged to the Vendor either.

The sales fees and charges to be paid by the Vendor to FENCES will be those stated in the Registration Form signed and accepted by the vendor when the horse was selected, they are subjected to VAT.

THIRTEENTH. - Responsibility of injury by or to the horse

Until the horse or the lots are sold, until the fall of the hammer, they remain the property of the seller, FENCES and the Auctioneer cannot be held liable for any injury, disease, accidents or damage the horse may incur or caused by him to a third party, whether it be inside or outside of the sales complex.

The risk of fire and the losses and damage remain solely with the Vendor. All loading and unloading of the horses or any handling operations during the sales shall be conducted for, at the expense and risk of the seller. Immediately after the bidding, the buyer substitutes himself for the seller for these liabilities.

The fact that FENCES agrees to conduct these operations on behalf of the Owner (Seller or Buyer) alters the terms of the present conditions in no way. In addition, Buyers and Sellers are always free to conduct such operations themselves.

The buyer is entitled to take possession of his horse immediately following the auction, only if the purchase is paid. The Fences Agency agrees to keep the horse in the sales establishment free of charge until the day after the last day of each auction. They shall not be held liable for accidents caused by horses or third parties during this period, save for established misconduct by one of their representatives or employees.

FOURTEENTH. - Sale with or without Reserve

1. If the case arises, the Vendor must notify FENCES and the Auctioneer in writing before the Sale the minimum price below which he does not want to sell. This price can in no way be superior to the one on which the Vendor agreed with FENCES when the horse was selected. In the absence of such written indication being submitted before the Sale, it shall be deemed to be made without reserve.

2. Nevertheless, since the Sale is voluntary, the Vendor or his representative can always bid for his own horse and buy back the animal he has presented if he considers the bid to be too low. In case of a re-purchase by the Vendor or his representative, he shall bear all charges and fees and responsibilities the Buyer would have born.

3. In case of a without reserve sale, if the seller estimates that the price proposed is not enough, he will necessarily rebid in order to buy back the horse. In that case, he will notify it on the purchase paper. Through those conditions, he'll just have to pay the re-purchase charges as is mentioned on the subscribe settlement.

FIFTEENTH. - Sale for Dissolution of Partnership

When a sale is required to dissolve a partnership between co-owners, the sale will necessarily be without reserve, so that a co-owner can never be able to re-purchase or withdraw his share of the partnership. On the other hand, any one of the co-owners may bid on the whole horse and have it knocked down for himself, in which case, the fees will only be due on the percentage which he did not previously own.

SIXTEENTH. - Payment Procedures

All Public Auction Sales are deemed to be for Immediate payment

After the fall of the hammer, only the vendor can authorize the successful bidder to settle his debt at a future date by a written statement on his own precise terms. FENCES must be notified of the existence of this written statement.

SEVENTEENTH. - Payment by buyer - Release of Registration Papers

In case of non-payment, FENCES will inform the successful bidder by receipted registered mail: that he has eight clear days to settle his debt.

that after that time interest of 1% per month as of the first day of the Sale shall be due retrospectively on the total invoice.

that FENCES reserves the right to hand the file over to its lawyer who will undertake collection.

that all fees and charges involved in the collection by FENCES must be paid by the debtor, they will never be inferior to 10% of the amount to be collected.

In case of hidden defects, or cancellation of the sale, the money shall be held by FENCES.

Any bidder is deemed to be bidding for himself unless he can provide a written power of attorney from the person for which he has bid. The successful bidder whose name is officially recorded will be liable for his purchase in case of default of his principal. All payments shall be made through FENCES and will be demanded in total for the net amount stated on the invoice. Payment of the lots exported out of France must be conducted through an intermediary agreed to by FENCES. Only when total payment of their invoices is made can the successful bidders be given their exit papers delivered by the Sales Office.

Payment will include the knock-down price as well as the Sales charges. These charges as well as the price are to be paid immediately, before the documents are given out, otherwise the horse may be re-sold on the grounds of 'folle enchère' or unacceptable bid.

EIGHTEENTH. - Settlement to the Vendor

FENCES guarantees to settle with the Vendor within a period of 30 (Thirty) days of the date of payment of the horse by the Buyer, in any case this payment cannot occur within a period of (30) (thirty) days of the day of Sale.

Moreover, FENCES reserves the right to set off against sums due to the Vendor, sums owed by the same Vendor at the time of the Sale.

NINETEENTH- Exit Papers

No horse, whether sold or unsold, may leave the Sales Complex without its Exit Papers. They may be claimed at the Sales's Office.

The Vendor expressly authorizes FENCES to issue the vouchers and allow the sold lot out of the Sales Complex and releases FENCES from any liability concerning this departure.

Before taking possession of their horse, the Buyers must present themselves at the Sales Office to pay their invoice and therefore be given the Exit Papers required for the removal of the lot.

Exit papers will be signed by Buyers or their representatives, certifying the delivery of the horse(s).

All horses must have left the Sales Complex at the latest the next morning of the last day of the sale at 12:00 (twelve) am. Any additional stay will be billed to the Owner (Vendor or Buyer) based on 18 euros (eighteen) per day and per horse.

TWENTY - Buyer's charges, vendor's charges

At Public Auction as well as private sales, the buyer will have to pay a 12,5% Sales Charge (excluding VAT), in addition to the Sale price.

The horses are sold either with or without VAT, but the Sale's price never includes VAT. The tax position regarding each horse is stated in the catalogue under the Vendor's responsibility.

1. The horses sold with VAT fall into seven categories:
2. The Buyer is registered for VAT in France: a 20% VAT is charged on the Sale's price.
3. The horse is on a Temporary Import Bond (deductible VAT):

- a. The Buyer is a French Resident: a 20% VAT is charged on the Sale's price, whatever the Buyer's tax position (recoverable VAT for registered taxpayers within the legal conditions)
- b. The Buyer is a Non-resident and wishes to keep the horse on the Temporary Import Bond: no deductible VAT is charged, but the cost of transferring the temporary Import Bond is borne by the Buyer.
- c. The Buyer is a foreigner (ECC or non-ECC) and wishes to export the horse: No VAT is charged.
4. The buyer is not registered for VAT: 20%.
5. The horse is re-exported immediately to an ECC country:
 - a. If the Buyer is registered for VAT in his country of residence, his European VAT Number must be given to FENCES, and at its only condition is VAT not charged. This number will appear on the Sale's invoice.
 - b. The buyer is not registered for VAT in his country of residence: a 20% VAT is charged in addition to the Sale's price.
6. The horse is immediately exported to a non-ECC country: a 20% VAT deposit will be required and reimbursed when official documents stating exit from national territory are provided.
7. The horses sold for breeding use exclusively are submitted to a VAT rate of 5,5% instead of 20%. Buyers must eventually mention this option, under their full liability, on the purchase form.
8. Horses sold both for breeding and sport are subject to VAT at 5,5% on behalf of value due to breeding use. Buyers must eventually mention this option under their full liability, on the purchase form.
9. Bids and auction prices are always given VAT excluded.
10. Fences decline any responsibility, particularly regarding legal and tax matters of a false statement of VAT status. of the seller or/and buyer. It's the same for export regime of the acquired lot.

The horses sold without VAT are the property of owners not registered for VAT. The sales charge to be paid by the vendor is subjected to 20% VAT

TWENTY-ONE – Private Sales

For each horse whose Inscription form has been accepted by FENCES and which would be sold privately with or without the involvement of FENCES, even if the transaction takes place outside of that Sale's Complex within the four months preceding or following the Sale for which he was entered, the vendor will be held responsible to FENCES for payment of the sums it would have received in case of a sale at the estimated value under which the horse was entered for a minimum of 5 000 euros (excluding VAT).

TWENTY SECOND– Guarding foal Article

In case of a foal sold during the Elite Sales would not be of weaned age, the buyer and the vendor will be able to enter into a free accommodation agreement at the vendor's place not later than the age of 6 months.

This agreement will stipulate that the transfer of the foal in the seller place is free of charge, the buyer exonerates the seller of any liability in the event of death or accidental depreciation of the foal, for any reason.

TWENTY THIRD – Online bidding

Possibility is given to the bidders to do it online during physical sessions by following guidelines on our website. In case of simultaneous offers between physical and online bids, the physical will have priority under the responsibility and sole judgement of the auctioneer.

TWENTY-FOUR - Resolutive clause

Notwithstanding all other contractual provisions, if, for any reason whatsoever, the successful bidder has not fully paid the hammer price and all costs within the period stipulated in article 16, the sale will be cancelled by operation of law, if Agence FENCES sees fit, FIFTEEN days after a simple payment order has been issued and has remained unfruitful, and containing a declaration by Agence FENCES of its intention to take advantage of the present clause.

The successful bidder will also bear all possible legal costs, in addition to a fixed indemnity equal to 10% of the hammer price and interest of 1% per month on the total amount of the invoice, which will be invoiced retroactively from the 1st day of the sale.

TWENTY-FIVE - Embryos Transfer

Some mares might have been used for embryo transplantations during the year of sales. Unless otherwise noticed, the foal to be born the year after the sale remains in the ownership of the seller. Frozen embryos not yet implanted at the time of the auction become the property of the buyer at the fall of the hammer. The Seller will provide the information's to Agence Fences, under his own responsibility, so that Agence Fences can advise the potential buyers on request.