

Conditions of online sale

The organizer of the sale is

Baden-Badener Auktionsgesellschaft (BBAG) e. V.

Sales office: An der Rennbahn 18, 76473 Iffezheim, Germany

Phone +49 (0) 72 29/14 00, Fax +49 (0) 72 29/30 85 12, email: info@bbag-sales.de

Contractual basis

By registering the auction goods for the auction, the vendor accepts the following conditions of the organizer, which become part of the contract. By registering the horse for the sale, the seller is obliged to notify the organizer of his VAT rate and to state their tax ID number on the registration form provided by the organiser.

1. August-Online-Sale: For Thoroughbred horses in training only

2. Christmas-Online-Sale: For all Thoroughbred horses

Entry fee: 350,00 € + VAT

CONDITIONS OF SALE

A general

I. Scope of services of the organizer

The organizer sells the auction goods (horse or part) in the name and for the account of the seller by knocking down (highest bid if the bidding time has elapsed). This creates a legal relationship between the vendor and the purchaser. The content of the legal relationship results in particular from B II.

II. Liability of the organizer

1. General

The organizer is only liable for the proper execution of the sale according to these conditions. Incidentally, the liability of the organizer and his vicarious agents is limited to intent and gross negligence, even if he is at fault for selection on behalf of vicarious agents.

2. Relationship to the purchaser

The organizer is not liable for defects in the auction goods. The descriptions and information given in the catalog or in the delivery documents are based on information provided by the vendor; the organizer has not checked the content for completeness and correctness.

3. Relationship with the vendor

The organizer is not liable for catalog descriptions. Incorrect or incomplete information must be corrected or supplemented by the provider immediately. The organizer is not responsible for the creditworthiness of the purchaser.

III. Organizer rights

1. a) The organizer is entitled

- to change the date of the sale for a justified reason, to postpone the time for the start of the sale, to order an interruption of the auction, to break off the auction without complete execution or to take similar measures,
- to exclude individuals from participating in the sale in justified cases,
- to order a ban on bidding for individual persons,
- to take all measures otherwise necessary or expedient in the interest of the auction and its implementation.

b) The organizer's board of directors can adopt the aforementioned measures by majority resolution, which can be achieved in any way, in the event of imminent danger also by a single board member without a resolution.

2. The organizer is entitled to reject horses if the documents required in the registration conditions are incomplete or other records are incomplete. Even in the event of this rejection, the vendor remains obliged to pay the fees owed under these sales or registration conditions minus any own costs saved by the organizer, without prejudice to other rights of the organizer. The vendor reserves the right to prove that the organizer suffered less damage. The vendor is not entitled to any other rights. In particular, he is only entitled to rights of retention or any claims entitling to offset in the event of a legally binding determination or in the event of acknowledgment by the organizer.

B The Sale

I. Offer and content

1. Only thoroughbred horses/race horses (foals, yearlings, racehorses in training, stallions, broodmares) are offered at the auction. Both the breeding and the participation in horse races require a diverse, independent commitment; this is subject to the rules and regulations of the racing regulations of the Züchtervereinigung Deutscher Galopp e.V., Cologne, whose regulations are binding for everyone involved in thoroughbred breeding and racing (in particular the Animal Breeding Act).

2. With the acquisition of a horse, the purchaser pursues the purpose (unless the purchase is made for the purpose of recreational riding), to participate in thoroughbred breeding or in horse races and thus a planned, long-term activity in this economic area according to the above under No. 1. In compliance with the provisions of the race regulations, the acquisition is therefore objectively linked to a large number of organizational and accounting processes such as transport, accommodation and professional care of the horse in training or breeding operations, veterinary care, management of the use of the horse for horse races incl. entry costs, race winnings, etc., trading, etc. This activity is also based on the desire and goal of achieving the best possible financial results.

3. The organizer addresses the public with the auction. The bidding process is carried out publicly on the day of the auction and is accessible to everyone. Participation as a bidder requires registration and approval by the organizer.

4. The auction goods are available to interested parties for closer inspection during the viewing times to be agreed in detail with the vendor in the days prior to the sale.

II. Content and subject matter of the sales contract

- 1.** The horses offered in the auction (foals, yearlings, racehorses, broodmares, stallions) are used items in the legal sense due to their age and the associated individual development.
- 2.** Via the auctioneer, the vendor only sells horses (auction goods) which, according to their descent, meet the legal requirements for performance tests (gallop races) within the meaning of the racing regulations of the Deutscher Galopp e. V. to participate at home and abroad (foals, yearlings, racehorses) or to be used in thoroughbred breeding (broodmares, stallions).
- 3.** A declaration of the suitability of the auction goods for participation in horse races (foals, yearlings, racehorses) or for the quality of use in breeding (broodmares, stallions) is not associated with this. The usability for use in horse races or the quality of the use in breeding is therefore not expressly or tacitly assumed according to this contract. Rather, the suitability of the sales item can also be hampered by obstacles that are not visible when the bid is accepted, but only become apparent later, possibly not until training or racing. Even the training places high demands on the horse's mental and physical resilience.

It is uncertain at the time of the auction whether the auction goods will meet these requirements. Experience has shown that only some of the foals/yearlings are able to take part in races later, only some of the horses are able to maintain training and / or racing operations over the long term. The same applies to suitability for breeding.

- 4.** The use of yearlings and racehorses stipulated and agreed according to the contract is therefore solely in preparation for participation in horse races (trainability), that of broodmares and stallions solely in breeding use (required fertility). If the horse corresponds to the use stipulated and agreed upon in the contract, it is free of defects, subject to No. 6 below.
- 5.** The purchaser must therefore weigh up the information in the auction catalog (in particular ancestry, gender, color, date of birth) and the other characteristics of the auctioned item, which he has to determine himself through inspection, and decide whether by buying the auctioned item possible chance to participate in horse races or to use breeding. It is up to the purchaser to examine the horse himself before the bid is accepted or, if the relevant expertise is lacking, to have it examined or examined by a trusted veterinarian.
- 6.** If the horse is windsucker, cripp biter, weaver or box walker, this is a material defect in the legal sense. Likewise, at the time of sale, a horse must not have any unauthorized substance doping in its tissue, body fluids or excretions according to the racing regulations. It is the responsibility of the provider to inform interested parties and bidders, e.g. to hand over a copy of the medication book or a veterinary certificate in the event of an unauthorized agent.
- 7.** The warranty liability from § 437 BGB is, as far as legally permissible, limited to the withdrawal.
- 8.** The limitation period for rights of the bidder in the event of defects according to § 437 BGB is one year from delivery (handover) of the auctioned goods with the exception of claims for damages due to injury to life, limb and health or gross negligence.

III. Course of the auction, bid and knockdown

- 1.** The order in which the horses are offered generally corresponds to the order in the catalog. The organizer is entitled to change this order for justified reasons.

2. The bids are in EUR. Only offers of at least € 500.00 will be accepted. The highest bidder is accepted and is bound by his bid.

3. The minimum bid is:

- for the August-Online-Sale EUR 1.000,00

- for the Christmas-Online-Sale EURO 1.000,00

Below this minimum price, a knockdown will not be made during the bidding process, even if a reserve price has not been specified.

C Rights and obligations of the provider

I. Consignment of the auction goods and notification obligation

The vendor is obliged to check the auction catalog immediately after it has appeared for the correctness of the information provided there with regard to the auctioned goods. Changes or additions are to be communicated immediately to the organizer, who is entitled to include them in the auction catalog at short notice.

II. Reserve price (minimum sale price)

1. The vendor must notify the organizer of the reserve price he has set for the auction goods in writing no later than 2 hours before the start of the bidding process. Verbal designation of the reserve price or an increase after the written determination of the reserve price has been submitted, especially during the auction, is not permitted and is of no consequence to the organizer. A reduction in the reserve price is only possible in text form. This must be done in time.

2. Auction items for which a reserve price has not been set down in writing within the aforementioned period will be offered "without reserve".

III. Retention of title

The auction goods remain the property of the seller until the purchase price plus VAT and all other costs have been paid in full. In the case of all payments that are not made in cash, the service is only deemed to have been affected upon final credit.

IV. Liability

1. The vendor is liable to the organizer that all information provided by him is complete and correct, including the registration documents, the veterinary certificates and the catalog descriptions.

2. If claims are made against the organizer by the purchaser for whatever legal reason, the vendor must release the organizer upon first request or compensate him for any damage incurred.

3. The vendor and the purchaser are jointly and severally liable for the fees and costs to which the organizer is entitled.

V. Transfer of ownership

The vendor is obliged to hand over the auction goods to the purchaser when the bid has been accepted after the purchase price has been paid in full to the organizer. Regarding the processing of the purchase contract and the handover of the horse passport, reference is made to E II.

VI. Bearing the costs

1. If the auction goods are sold to a third party through a knockdown, the vendor pays the organizer 3% of the knockdown price plus the statutory value added tax, in cases of D 2. plus 1% of the knockdown price plus the statutory value added tax to the BBAG Service GmbH.
2. In the event of an unsuccessful offer without a surcharge, the vendor pays the organizer a fee of 2% of the reserve price plus statutory VAT.
3. In the event that the auctioned item is bought back by the vendor after the knockdown, the vendor pays the organizer 2% of the buyback price plus the respective statutory value added tax.
4. If the contract between the vendor and the purchaser is canceled or if it is not implemented for other reasons (e.g. through contestation, withdrawal, court decision, etc.), the vendor pays the organizer a fee of 1% of the bid price, but no more than EUR 1,500.00 plus statutory value added tax.
5. If a horse registered for the auction is sold after the final inclusion in the catalog before the auction or is sold privately within one month after the date of the auction or is exported abroad on behalf of a third party, the vendor pays the fees incurred by the purchaser according to the sales price actually achieved. The vendor is obliged to inform the organizer of the sales price immediately and without being requested to do so. The organizer is entitled to estimate the sales price without consulting an expert if the vendor does not communicate the price despite two requests.
6. The vendor bears the costs for the forfeit stamp and the export certificate.
7. All of the aforementioned fees apply in addition to the registration fees stated in the registration conditions.

D Rights and obligations of the bidder

Bearing the costs / payment of the purchase price

1. The purchaser has to pay the knockdown price plus the following costs and amounts immediately:
 - a) the statutory value added tax due to the vendor on the knockdown price,
 - b) 1% of the hammer price as halter money to the vendor for distribution to the stud or stable staff in accordance with the race regulations,
 - c) a fee of 6% of the hammer price plus statutory VAT to the organizer.
2. In cases, that the vendor is a domestic farmer with average sales tax according to § 24 UStG or a non-domestic vendor with the fall of the hammer the lot means fiscally to be delivered from the vendor to BBAG Service GmbH, An der Rennbahn 18, D-76473 Iffezheim and afterwards directly from BBAG Service GmbH to the purchaser. Sentence 1 applies not for domestic farmers with average sales tax according to § 24 UStG with lots for a domestic purchaser.

In cases, that the lot from a domestic vendor is purchased by a purchaser from a non-EU-country, the lot means fiscally to be delivered from the vendor to BBAG Service GmbH, An der Rennbahn 18, D-76473 Iffezheim and afterwards directly from BBAG Service GmbH to the purchaser.

In cases, that the lot from a non-domestic entrepreneur is purchased by a domestic buyer, the lot means fiscally to be delivered from the vendor to BBAG Service GmbH, An der Rennbahn 18, D-76473 Iffezheim and afterwards directly from BBAG Service GmbH to the purchaser.

3. The vendor and the purchaser are jointly and severally liable for the organiser's claims.
4. In the event of an auction, the purchase price is paid at the organiser's clearing office immediately after the bid, whereby payment can also be made as follows:
 - a) by bank-confirmed check, irrevocably made out to Baden-Badener Auktionsgesellschaft (BBAG) e. V., An der Rennbahn 18, D-76473 Iffezheim or
 - b) by irrevocable instruction to the debit of the clearing account at Deutscher Galopp e. V. in Cologne, provided that there is sufficient credit.
5. Interest on arrears: If the purchase price is not paid when the due date, the vendor is entitled to charge monthly interest from the 30th day after the due date instead of the statutory interest To demand 1.5 percentage points on the purchase price.
6. In addition, the bidder bears the costs incurred by Deutscher Galopp e.V. for registering the change of ownership and - in the case of export - for the stud book certificate.

E Miscellaneous

I. Special procedure for online sales Vendors and registered prospective bidders and buyers can view the conditions and the process of online purchases in detail via the platform; the conditions listed there are part of these auction conditions.

II. Execution of the purchase contract

1. The horse will not be handed over by the organizer. The handover of the auction goods to the buyer after the knockdown is rather a matter for the seller.
2. The provider is obliged to keep the horse in his care until it is taken over by the buyer. The halter is to be handed over to the buyer. The buyer is obliged to take over the horse.
3. The auctioned horse must be collected by Wednesday, August 24th, 2022, 4 pm at the latest. From Thursday, December 25th, 2022, the buyer bears all maintenance costs. The removal may only take place after presentation of a receipt of payment certificate issued by the organizer. The horses are handed over with halter.
4. The buyer has to examine the horse immediately after handover and if a defect becomes apparent, he has to notify the seller immediately. If the buyer does not report it within 3 weeks, in case of doubt it can be assumed that there was no defect at the time of delivery.

III. Right of withdrawal

In the event that the vendor (seller) is an entrepreneur and the purchaser (buyer) should not act as an entrepreneur but as a consumer (e.g. in the case of acquisition for the purposes of recreational riding, see above under lit. "B The auction") and that the sale takes place exclusively using means of distance communication, the purchaser (buyer) has a right of withdrawal of 14 days without giving reasons. The withdrawal period is 14 days from the day on which the purchaser took possession of the horse. In order to exercise the right of withdrawal, the purchaser must inform the organizer of his decision to withdraw from this contract by means of a clear declaration (e.g. a letter sent by post,

fax or email). In order to meet the cancellation deadline, it is sufficient for the purchaser to send the notification of the exercise of the right of cancellation before the cancellation period has expired. If the purchaser cancels this contract, the vendor has to repay all payments he has received from the buyer immediately and at the latest within 14 days from the day on which the notification of the cancellation of the contract was received, without any fees for the repayment be calculated. The purchaser has to return the horse to the vendor immediately and in any case not later than 14 days from the day on which the purchaser informed the organizer of the cancellation of this contract. The revocation must be explained to:

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IV. Arbitration Clause

In the event of a dispute about the defectiveness of the auctioned horse (veterinary certificates), the vendor and the purchaser can ask the organizer to resolve the dispute. In this case, the organizer commissions a veterinary report, the result of which is bindingly recognized by the purchaser and the vendor. Both parties to the purchase contract each bear half the costs of this arbitration report (reimbursement of the costs incurred by the expert).

V. Final provisions

1. Should one of the aforementioned regulations be or become ineffective or the conditions contain a loophole, the legal validity of the remaining regulations remains unaffected. The ineffective provision or the loophole is to be replaced by an effective provision that comes closest to the objectives of the parties in terms of economic, civil and tax law. In addition, the respective statutory provisions apply.

2. The law of the Federal Republic of Germany and German jurisdiction apply exclusively. Baden-Baden is agreed as the place of jurisdiction in dealings between merchants. The same applies if at least one of the contracting parties does not have a general place of jurisdiction in Germany.

07/2022

Procedure and terms and conditions of online sales

The following conditions are part of the conditions of sale (see E, I).

1. The respective internet auction begins with an offer made by the organizer on the internet platform. This is a declaration of intent by the organizer aimed at concluding a purchase contract. At the same time, the bidding period is specified in the offer by specifying "auction end". This offer cannot be accepted with a simple "yes", but it is a previously declared acceptance of the highest bid. The organizer only accepts the highest bid that is effectively submitted by a bidder within the specified bidding period in accordance with the terms and conditions of sale.

2. Bids can only be submitted online using the mask installed on the platform for registered bidders. Bids that are submitted in any other way will not be considered, even if they are received by the organizer during the bidding period. Bids for which the bidder has not declared that he agrees to the validity of these terms and conditions and the auction conditions for his specific bid and has taken note of the cancellation policy there will also not be accepted. Bids submitted up to the end of the

auction, which are submitted for the registered user under "Bid" in accordance with the terms and conditions, will only take part in the auction if they have been received by the organizer by the end of the auction. The transmission takes place at the risk of the bidder.

3. Before submitting a bid, the content of the bid is summarized on an overview page. The bidder can correct his bid there using the change fields provided. By clicking the "Submit bid" button, the bidder submits a binding bid to the organizer to conclude a purchase contract. After the bid has been submitted, the bidder receives an automatically generated email from the organizer, which confirms that we have received the bid and gives its details (confirmation of receipt). This confirmation of receipt does not constitute an acceptance of the contract, but only a confirmation of participation in the auction with the submitted bid. Each bid of each bidder is made resolutely by submitting a higher bid. The respective bidder is bound to the submitted bid until the end of the bidding period. Bids that are below the minimum bid will not take part in the sale, even if the organizer does not receive a higher bid by the end of the auction. The purchase contract for the auctioned horse comes about without a separate knock-down through the effective highest bid of the registered bidder (user or customer) at the end of the bidding period.

4. An effective bid must correspond to the minimum bid and, moreover, be at least one bidding step higher than the previous bidder's bid. The bidding step amounts to at least € 500.00 for the horses entered in the auction. It is only offered in Euros (€). The bidder will be informed by e-mail or in another suitable way on the internet platform that his bid will be accepted and also if he has been outbid. All specified bids are exclusive of the applicable sales tax.

5. The start time of the final of the online auction (bid up) is indicated by a countdown over the entire auction time on the overview list and on the detail page of the respective lot. The lots run out every 2 minutes. So if the first lot runs out at 2 p.m., then the second lot runs out at 2:05 p.m., the third lot at 2:10 p.m., and so on. In the last 2 minutes before the final end of the auction of a lot, each bidding activity extends the countdown timer by an additional 2 minutes. In other words, if a bid is made when there are only 35 seconds left, the timer is set to 2 minutes. If there is no further bid during this time, the auction ends and the hammer price is displayed on the bid board. An extension of the completion time for a previous lot does not lead to an extension for the following lot.

6. Notification of the conclusion of the contract: The bidder who has submitted the highest effective bid at the end of the auction will be notified of this in writing by email or in some other way on a permanent data carrier. The receipt of the notification is the confirmation of the already concluded purchase contract and not an additional requirement for its conclusion. Bidders who have not submitted the highest bid will not receive any notification. The highest bid is only given anonymously on the platform immediately after the bidding period has expired. According to § 312 f BGB, the notification to the purchaser contains a confirmation of the contract in which the content of the contract is reproduced and contains the information required in Article 246 a of the Introductory Act to the Civil Code, including the cancellation policy. After the auction period ends, the buyer will be announced in the auction results.

7. We are entitled at our discretion to block registered bidders for individual auctions of individual objects or for a certain period of time or in general and thus to exclude them from the right to participate in auctions to a limited or unlimited extent. This is only permissible if there is an important reason that shows that the continued existence of a legal relationship with the blocked person is no longer reasonable for us.

8. The organizer can cancel an auction at any time before the end of the bidding period if he decides to do so at reasonable discretion if there is an objective reason. In the event of system failures due to technical conditions, the organizer is also entitled to cancel the auction. In this respect, we expressly

reserve the right to revoke our respective offer made on the Internet in accordance with 3. The decision to cancel will be communicated on the internet platform with key words indicating the reason. The already submitted bids expire with the notification without replacement. This reservation to revoke our offer to sell to the highest bidder expires at the end of the auction in the case of an auction carried out in accordance with the announcement and ended with the end of the bidding period, without a separate declaration from us being required. Claims for damages by bidders in the event of technical problems in the processing of the Internet auction, in particular in the event of system failures, non-receipt of bids or their rejection for technical reasons, are excluded.

9. The organizer maintains a hotline during the ongoing auctions, which can be reached at the time specified on the Internet platform with the fees stated there at the expense of the caller. This hotline is only used to resolve processing problems and not to accept bids. Neither promises nor contractual agreements of any kind are made via the hotline.

10. After full payment (purchase price and other costs), the auctioned horse must be picked up by Wednesday, August 24th, 2022, 4 pm at the latest. From Thursday, August 25th, 2022, all maintenance costs will be borne by the buyer. The transport of the horse may only take place after presentation of a receipt of payment certificate issued by the organizer. The horses are handed over with halter.