

These conditions of Sale have been translated and are deemed accurate. Nevertheless the sale is ruled by the French version of the Conditions of Sale and if a difference is to be found between the French and the English translation, the French version will prevail.

It is assumed that all buyers and vendors have read, understood and accepted these conditions of sale.

These conditions shall apply to all transactions performed by VENTES OSARUS. These conditions are in compliance with the law of the 10th July 2000 as well as articles 2001-650, 651, 652 of the decree of the 19th July 2001 pertaining to the voluntary sale of furniture by public auction, modified by law 2011-580 of the 20th of July 2011.

VENTES OSARUS, voluntary public auction sales company, was approved by the voluntary public auction sales board (Conseil des Ventes Volontaires aux enchères publiques) on the 4th June 2008 under the n° 2008-660.

Article 1. Sales by public auction.

In compliance with French law, public auction sales are conducted by licensed auctioneers appointed by VENTES OSARUS.

VENTES OSARUS will act on behalf of vendors, who agree to give responsibility for invoicing and collecting money to VENTES OSARUS.

These conditions of sale shall apply in every instance unless otherwise indicated before the sale. To access and bid during the online sale, potential buyers accept these conditions of sale when signing in to their online account. Vendors agree to these conditions of sale when filling in the entry form pertaining to the sale or by signing the authorisation of sale document (“réquisition de vente”).

Under the terms of the law of 10th July 2000 any private sale of a horse which has been presented for sale at auction by VENTES OSARUS, bought back by the vendor and subject to a subsequent offer, will be considered as a sale by public auction in all instances where these conditions apply.

The liability of VENTES OSARUS towards buyers and vendors is limited to the cases defined in the present conditions of sale and accepted contractually by buyers and vendors. In a general sense if a buyer or a third party fails to follow these conditions of sale VENTES OSARUS will accept no liability.

Article 2. Bidding.

Payment in full for any purchase is immediately due.

Bidding will take place online at the following address: www.osarus.3forone.auction/fr/

Minimum bid: €1,000.

In compliance with the law, bids shall be accepted and displayed in Euros and all conversion into a foreign currency is provided for information only.

1. Registration:

VENTES OSARUS reserves the right to refuse certain registrations. A person who wishes to bid should fill-in the registration form available on the bidding platform at least 24 hours before the sale and tick the "I accept the conditions of sale" box at the bottom of the form. The conditions of sale are available in full via the link beside the box.

VENTES OSARUS will then send a bidding registration form to the potential bidder that should be returned to VENTES OSARUS before the sale accompanied by a copy of ID.

VENTES OSARUS reserves the right to refuse the registration of anyone who does not offer proof of established solvency and will refuse the bids of those who have not paid for previous purchases at VENTES OSARUS or at any other sales companies. In this case the possibility to bid online will be invalidated. VENTES OSARUS reserves the right to require from any bidder (whether a natural or a legal person) or its representative (whether a natural or a legal person) any payment guarantee (including, without limitation, personal and several surety, first demand guarantee...). Where VENTES OSARUS requires the bidder or his/her representative to provide a payment guarantee then such bidder or his/her representative hereby agrees not to bid at the Sales until such payment guarantee has been accepted in writing by VENTES OSARUS. VENTES OSARUS also reserves the right to request a payment of the purchase price by way of a bank cheque, partially or in totality.

2. Bidding:

After registering on the bidding platform and VENTES OSARUS has approved your registration, you must login to the bidding platform on the day of the sale using your email address and the password you created on the registration form. The lot number, identity of the horse, current bid and number of bids are shown on the screen. To submit a bid, you should either confirm the bid shown automatically or type in the amount you wish to bid and click on confirm. A message on the screen will appear showing that you are the current highest bidder.

The end of the sale of a lot is programmed for a certain time, however if a bid is placed during the last minutes, bidding continues for three extra minutes and so on until there are no more bids on the lot. The highest bidder is deemed the purchaser of the lot.

Purchasing orders: the normal way of bidding during this sale is for the potential purchaser to bid via the bidding platform, however, a potential purchaser that is not available on the day of sale to bid via the internet, can send a purchasing order to VENTES OSARUS by email accompanied by a registration request and a bank confirmation. Bidding can then be carried out by a member of the VENTES OSARUS team on behalf of the potential purchaser, without exceeding the maximum amount indicated on the purchasing order (excluding VAT, sales fees, etc.). VENTES OSARUS shall not be liable if the purchasing

order is omitted. If two purchasing orders are identical, priority will be given to the first purchasing order received.

VENTES OSARUS shall not be liable in the event of malfunction of the bidding platform (connection problems, accessibility of the platform, etc.) or faults (mistake, interruption or omission in the reception of bids).

3. After bidding:

When there are no more bids, the lot is sold. The highest bidder is deemed the purchaser and should organise the removal of the lot when a pass out ("Bon de Sortie") has been obtained from the accounts office and should inform VENTES OSARUS of the date and time that the horse will be removed as well as the name of the transporter and the destination.

VENTES OSARUS shall not be liable in case of accident or death of the horse after the fall of hammer.

4. Irresponsible bid:

VENTES OSARUS reserve expressly the right to proceed to the resale on "folle enchère" any animal whose buyer fails to make settlement for his purchase or to sign the purchase form. The vendor may not claim the difference in price from VENTES OSARUS.

In the event that VENTES OSARUS considers that the buyer does not offer sufficient guarantees for the payment of his purchase, VENTES OSARUS will be entitled, should immediate payment not be made, to re-sell the under the procedure known as 'folle enchère' without process of law at the sole risk of the defaulting Purchaser. The defaulting Purchaser will become financially liable towards the vendor for the fees from the first sale as well as the resale. He will be liable to pay the difference between the purchase price from the first sale and the resale price, and will not be able to claim the potential excess. Such an excess shall go to the Vendor.

Article 3. Information to be supplied by the vendor.

The vendor must provide in writing any public announcements to be made at his/her responsibility before the sale.

VENTES OSARUS will pass on these statements accurately to the public but does not accept responsibility for the accuracy of the vendor's statements particularly with reference to VAT, pedigree, date of birth, place of birth, race record, entries and earnings of horses, returnable vices or last service date, etc. Thus the vendor shall indicate in writing and before the sale, all errors or omissions in respect of the catalogue so that such errors or omissions can be notified to the public via the bidding platform prior to the sale, and entered in the minutes. Any vendor who fails to rectify in writing before the start of the sale the information supplied in the catalogue in respect of the horses he is selling shall be deemed to have accepted such information and therefore responsibility for its truthfulness shall be entirely his/her own.

Article 4. Documents to be supplied by the vendor:

The horses entered by the vendor shall be accompanied by due documents: passport, owners' card or any other identification documents, a negative Coggins test less than

a month old as well as a covering certificate for mares in foal, irrespective of the nature of the siring contract.

The documents shall be submitted before the sale by the vendor to VENTES OSARUS.

Liability may be claimed against the vendor in the event such documents have not been submitted in due time, without prejudice to VENTES OSARUS' right to refuse the presentation of the horse at the sale.

However, should the sale of the animal proceed, under no circumstances can VENTES OSARUS be held responsible for the absence of the said documents.

Article 5. Veterinary examination.

Vendors must ensure that all horses presented at the sale have received any vaccinations required under the French rules of racing (code des courses) and that a negative Coggins test dated less than one month before the sale is lodged with VENTES OSARUS. In the absence of this document, the horse shall not be offered for sale.

The list of documents that compose an animal's vet file will be available on the bidding platform and at www.osarus.com. Any potential purchaser who wishes to consult a veterinary surgeon, at their own expense, in order to examine a veterinary file before the sale should contact VENTES OSARUS and, with the agreement of the vendor, may have a horse examined at the premises of the vendor. All information figuring in the file is confidential. In case of accident caused by a horse or injury to a horse examined by the potential buyer or by his veterinarian, the latter will be solely responsible and will have to bear all the direct or indirect consequences, vendors and buyers commit themselves not to hold VENTES OSARUS responsible, under any circumstances, and to renounce to any legal recourse against the organiser.

Article 6. Drug Testing.

Anabolic Androgenic Steroid (A.A.S), Non-Steroidal Anti-Inflammatory Substances (N.S.A.I.S) and Bisphosphonates, applicable to all lots except broodmares and stallions.

After Fall of hammer, the Purchaser will be entirely responsible for the lot and no appeal will be receivable if the entire purchase price of the lot has not been paid. The procedure and conditions hereunder described shall apply exclusively to the lots designated below.

A lot refers to all horses except for broodmares and stallions. **The Purchaser will not be able to request the cancellation of the sale if the administration of one or more of the substances mentioned above has been the subject of a veterinary certificate or an indication on the bidding platform.**

1 - A lot shall be returned to its Vendor in the event that a blood test organised by VENTES OSARUS and taken within 48 hours of the sale, would confirm the presence of A.A.S, N.S.A.I.S and/or Bisphosphonates. In this case, all expenses incurred by the Purchaser shall be payable by the Vendor.

2 - All tests must be carried out under the following conditions:

a) The Purchaser must instruct VENTES OSARUS to have a sample taken from the said lot and to have the sample tested for the presence of A.A.S, N.S.A.I.S and/or Bisphosphonates.

b) The test order must be given, in writing, by the Purchaser immediately after the sale of the said lot. No other form of request will be accepted by VENTES OSARUS.

c) As soon as VENTES OSARUS has accepted the test order, VENTES OSARUS will appoint a vet within 48 hours, in order for the sample to be taken at the premises of the vendor.

d) The appointed member of the veterinary team will take an "A" and "B" sample of blood from the said lot, which will be sent for analysis to the French horse racing Laboratory of Verrières-Le-Buisson (LCH).

e) Sample B will only be analysed in the event of a confirmatory analysis requested by the Vendor, in a laboratory of his choice, in accordance with the French racing code.

3 - The results of the blood test and the resulting decision shall be communicated only to the Purchaser and the Vendor.

4 - In the event of the detection of one or more substances belonging to the categories mentioned above, the decision shall be notified to both the Vendor and Purchaser, and VENTES OSARUS shall not be responsible for any loss or expense incurred by any party arising out of its decision.

5 - In the event where a Purchaser exports a lot out of the E.U. before VENTES OSARUS has been informed of the result of the blood sample taken on the said lot, the Purchaser shall be obliged to take custody of the horse and pay the entire purchase price of the lot, including when A.A.S, N.S.A.I.S and/or Bisphosphonates have been found in the sample.

6 - In all other cases, should a Purchaser wish to return a lot to the Vendor, he/she must first notify VENTES OSARUS in writing either by post or email, within seven days of having been notified by VENTES OSARUS of the positive result of the blood sample. The written notification must be sent to VENTES OSARUS at its headquarters, and shall only be processed by VENTES OSARUS if the company has expressly acknowledged receipt of the notification.

7 - In the absence of such notification, the Purchaser shall be obliged to retain the lot and become liable for the entire purchase price.

8 - Once VENTES OSARUS has acknowledged receipt of the Purchaser's refusal of sale notification, VENTES OSARUS will in turn notify the Vendor who will then be entitled to request a confirmatory analysis within seven days from the date of receipt of the notification by VENTES OSARUS. During the period of the confirmatory analysis, the lot remains at the Purchaser's risk.

9 - The Purchaser shall be entirely responsible for the lot after the sale and no claim on his/her part shall be accepted if the full purchase price has not been paid immediately.

10 - From the receipt by VENTES OSARUS of the notification of the Purchaser in accordance with sub-condition 6, and in the absence of a request for a confirmatory

analysis by the Vendor, the sale will be cancelled. The Vendor will personally make sure that the lot is recovered from the Purchaser. Under no circumstances may the return of the lot in the premises of VENTES OSARUS be accepted. If the result of the analysis of the sample B shows the presence of one or more of the substances detected in the sample A, the sale will also be automatically resolved.

11 - Where the Purchaser elects to return the lot to the Vendor under these conditions, the Vendor must : a) pay to VENTES OSARUS, on invoice, any cost or expense born by VENTES OSARUS as a result of the blood test and analysis, together with the relevant commissions which would have been payable by Vendors and Purchasers if the sale had not been cancelled. b) indemnify VENTES OSARUS against any cost or expense that may be caused by its decision and would be supported by VENTES OSARUS (legal fees, etc.)

12 - Subject to the rules of sub-section 11 above, the Purchaser shall pay to VENTES OSARUS, on invoice, all costs relating to the blood test and analysis.

All notifications relating to conditions 1 - 12 above must be made in writing and sent by registered post, fax or email to the Vendor or the Purchaser at the address mentioned on the entry form, or on the Purchaser form. Such notifications shall be considered to have been issued on the day of its reception by the addressee.

Piroplasmosis

The procedure and conditions described below only apply to the lot and do not affect in any way the conditions regarding immediate payment of all purchases.

1 - Unless described without qualification as positive for Piroplasmosis and the announcement has been made on the bidding platform, a lot shall be returnable to the vendor in accordance with this condition in the case where: on the purchaser's request, a blood sample is taken from the lot within 48 hours of the sale at the vendors premises by the veterinarian appointed by VENTES OSARUS, and that the blood tested by a registered laboratory using the Elisa + IFAT protocols and the PCR protocol, reveals the presence of Theileria Equi or Babesia Caballi according to the conditions and levels specified by the OIE.

2 - The sample for the research of Piroplasmosis will be taken in accordance with this article following this procedure:

- the Purchaser shall irrevocably instruct VENTES OSARUS in writing to take a sample from the said lot to have the sample tested for the presence of Piroplasmosis (all fees for taking and testing the sample will be payable by the purchaser),
- VENTES OSARUS shall appoint a veterinarian to take the sample, before the horse leaves the vendor's premises and at the latest the day after the sale.

VENTES OSARUS will not accept instructions given in any other way.

3 - The results of the analysis of the blood sample for the said lot will be communicated to the Vendor and purchaser.

4 - In the situation where a purchaser would have exported a lot out of the E.U. before VENTES OSARUS had been informed of the results of the blood sample, the purchaser shall be obliged to take custody of the horse and to pay the full purchase price for the lot even if the results reveal that the lot is positive to Equine Piroplasmosis.

5. In all other cases, when the purchaser decides to return the lot to the vendor, such decision must be notified to VENTES OSARUS in writing either by post or email, within seven days from the date on which VENTES OSARUS informed the purchaser and vendor of the result of the blood test.

6. VENTES OSARUS shall not be held liable for any loss or expenses caused to any party as a result of this decision.

Article 7. Vendor's guarantees.

Horses sold at public auction are subject to ordinary legal warranties. No claims, even in case of latent defect, shall be accepted if the buyer has not paid the full price of his/her purchase.

a) Guarantee concerning latent defects.

The vendor shall guarantee the buyer against the vices specified in L213-1 and following and R213-1 and following of the French rural code (Code Rural) which have not been declared before the sale.

Stable vices, that is to say weaving, crib biting, wind sucking or habitual box-walking, should be announced from the rostrum before the sale, if they are not declared the buyer has the right to request the cancellation of the sale.

Any action taken by the buyer in respect of the said latent defects shall be taken in compliance with the provisions of section 213-1 and seq. And R213-1 and seq. of the French Rural Code, i.e. within 10 days from the sale (as witnessed by the post mark) not counting the day of the sale, except for periodical inflammation and infectious anaemia for which such period shall be 30 days not including the day of the sale. All deadlines shall expire on the last day at 12.00 pm. Should a deadline expire on a weekend or a Bank Holiday, it shall be extended to the following working day. Within the stated period of time, failing which his application would be turned down, the vendor shall submit to the Judge of the Court relevant to the horse's location a request seeking the appointment of experts commissioned to draw up a report on the examination of the animal.

Within the same period of time, the buyer shall inform the vendor (via registered mail) and VENTES OSARUS of the submission of his application to the Judge, enclosing a veterinary certificate detailing the vice concerned.

Any purchaser who, by himself or through the intermediary of his veterinary surgeon mandated for this purpose, will have had or might have had access to the information available to the sales office will be presumed to have known their contents and will not be able to take advantage of this on account of latent defects to obtain the annulment of the sale.

If the buyer did not have access to this information and if within the month that follows the sale, the buyer feels that the horse is affected by a latent defect, he may, with the

vendor's consent, request expert opinion on an amicable basis so as to assess grounds for such application. This examination shall be performed by an expert veterinary surgeon agreed upon by both parties. The length of the examination cannot be invoked by the vendor as a reason to challenge the admissibility of further legal action. Barring technicality, both parties may undertake to accept the findings of the said expert.

In all circumstances, the action seeking the annulment of the sale lodged by the buyer shall be taken directly against the vendor whose name shall be imparted by VENTES OSARUS at his request. Under no circumstances can such action be directed against VENTES OSARUS.

b) Sale of a stallion or a broodmare.

Any vendor of broodmares shall specify in the catalogue: — the mare's production, year by year since her arrival at the stud farm and, regarding the dead progeny the mentions; - still born, dead at birth or accidental death; the date she was last covered; the assumed pregnancy stage, abortions, twin births.

The vendor shall be responsible for the accuracy of this information. Any action taken by the buyer in respect of an error or omission shall be against the vendor only. In the event an important piece of information entered in the catalogue or announced from the rostrum at the request of the vendor proves incomplete or inaccurate, the sale may be cancelled at the request of the buyer within one month from the sale.

The vendor may have the stage of pregnancy announced from the rostrum and produce in evidence a certificate issued by a veterinary surgeon within the 10 days preceding the sale. The buyer shall retain the right to have the broodmare examined by a veterinary surgeon agreed upon by the vendor within 24 hours from the sale before the mare has left the vendor's premises. If the findings of the veterinary surgeon contradict the statements made by the vendor, the sale shall be nullified by right.

Any broodmare sold "empty", after indication that she has been covered, which turns out to be "full", shall be returned to the vendor. The latter shall, of course, refund the buyer the price of the purchase plus an interest of 12% interest per annum, the selling costs, the cost of the upkeep at current rate, within 15 days from the registered mail sent by the buyer informing him that the mare has been confirmed full. However, the buyer shall retain the possibility, if he so wishes, to keep the broodmare by offering the vendor a simple refund of the price of the covering with no extra costs. In the event the buyer has allowed the broodmare to give birth he shall be deemed to have agreed to pay the price of the sire whether the offspring is born viable or not.

The potential buyer of a mare having just out of training shall have a right prior to the sale, to seek the vendor's permission to have the mare examined by a veterinary surgeon agreed upon by the vendor so as to ensure that the mare is fit for reproduction in particular as regards her genitals.

Any vendor of a stallion or of a horse which may become a sire shall undertake, in respect of the buyer and, in particular the French National Stallion Farms Services, to accept at the buyer's request, the annulment of the sale of the animal in the event the horse has not complied with the customary fecundity tests by the 30th day from the sale and in respect of the French Farms Services, with the statutory tests.

c) Identity of horses offered for sale.

The vendor shall ensure that each horse presented is that described on the bidding platform or on the online catalogue at www.osarus.com. In the event of an error or confusion, the vendor shall bear sole responsibility and such responsibility shall not befall on VENTES OSARUS.

d) Horses sold under juridical decision.

Horses sold under juridical decision are sold as they stand, without any guarantee, under cover of the article 1649 of the civil code.

e) Presentation

VENTES OSARUS reserves the right to refuse to offer a horse on the day of the sale and, in particular, wherever the model is insufficient.

Article 8 - Absence.

For any horse that is accepted for the sale, that appears in the online catalogue, and that is withdrawn for any reason, the vendor shall pay VENTES OSARUS the entry fee for the sale that is indicated on the entry form or on the sales authorisation form ("requisition de vente").

In addition to the entry fee, the vendor shall pay VENTES OSARUS the amount of €750 unless barring exceptional circumstances. In the case of death, accident or serious illness a veterinary certificate must be presented at the latest on the day of the sale. VENTES OSARUS may ask the competent Court to name an expert to report on the condition of the animal.

The fee shall automatically be due if horse is catalogued to be sold at another sale. If the horse is sold privately before the sale (between the time that it is entered in the online catalogue and the sale) or within one month following the sale, the amount of €750 will be immediately due. In addition, the vendor will pay to VENTES OSARUS an indemnity of 10% of the average price on the sale in which the lot was entered.

Article 9. Liability in respect of damages caused by the animal or to the animal.

In case of accident caused by a horse or injury to a horse examined by the potential purchaser or by his veterinarian, see article 5. – Veterinary examination.

Until the sale has been pronounced, the horses or the lots to be sold shall remain under the guardianship and responsibility of the vendor, VENTES OSARUS may not be held liable for the accidents or diseases or damage sustained by the animals or caused by them to third parties. It is specified that the owner vendor, or his agents, will insure the guardianship of the horses before the sale. **Immediately after the sale, the buyer shall substitute for the vendor as regards these responsibilities.**

Article 10. Sale with reserve

Vendors can fix a minimum price under which they will not sell a lot. The vendor or his representative can bid on the lot so that the bids meet the reserve price decided by the vendor. This price can be lowered by the vendor during the sale. Immediately after

the sale, the vendor must inform VENTES OSARUS if the horse has been bought back and this will be noted in the minutes. The vendor shall then bear the costs of the buy back as indicated on the entry form or sale authorisation (“requisition de vente”).

Article 11. Dissolution of Partnerships.

When a sale is required in order to dissolve a partnership between co-owners no reserve can be accepted on the total value of the horse offered for sale, therefore a co-owner can never buy back or withdraw the share he owns in the horse. On the other hand any one of the co-owners may place a bid on the whole horse and have it knocked down to him/her. In such a case, the purchasing costs will apply exclusively to the part which did not belong to him/her and the buy back fees will apply to the part which belonged to him/her.

Article 12. Payment Procedures

Payment is due immediately for all sales at public auction.

Only the Vendor shall be entitled to authorise the successful bidder, via a written agreement, payment terms. VENTES OSARUS must immediately be notified of the existence of this written agreement. In the event that the vendor has agreed to postpone payment, the horse shall be delivered as soon as full payment of the purchase price has been received. In this case, the purchaser authorises VENTES OSARUS to place the horse either at the vendor's premises or at a stud farm at the purchaser's own risk and charge. The delivery of the horse before total payment of the purchase price will only be possible with written agreement from the vendor.

Only the vendor can authorise the purchaser, in writing, to settle the purchase price following receipt of the invoice and can authorise the horse to leave the sales before the payment is made to VENTES OSARUS.

Article 13. Payment by the buyer

A. In case of non-payment, VENTES OSARUS will inform the successful bidder:

- 1. That he has eight clear days to settle his debt ;
- 2. That after this time interest of 0,5% per month as of the first day of the Sale, shall be due retrospectively on the total invoice. After 4 months, interest will be charged at 0,75% per month.
- 3. VENTES OSARUS shall be entitled to sue for the full amount of the Purchase Price and interest thereon.
- 4. All fees and charges involved in the collection by VENTES OSARUS have to be paid by the debtor, they will never be inferior to 10% of the amount to be collected.

B. In case of hidden defects, or cancellation of the sale, all fonds shall be held by VENTES OSARUS.

C. Any person who bids shall be considered to be bidding for themselves unless he can provide a written power of attorney from the person for which he has bid.

Any person who bids shall be considered to be bidding for themselves and the successful bidder, whose name will be announced in the records, is personally responsible for his purchase. If the successful bidder declares to be acting on behalf of a third party he must produce a written power of attorney explicitly stating that the successful bidder is together with the third party jointly responsible for the full amount of the purchase.

The successful bidder whose name shall be mentioned in the minutes, shall be personally responsible for his purchase in the event of his principal's defaulting.

In the event the successful bidder does not hold explicit power to act, he will be joint-debtor with the one who turns out to be, in one way or another, the principal of the successful bidder.

No levy, under any circumstances, may be effected on the invoices issued by VENTES OSARUS. The buyers or their agents shall therefore, pay these invoices in full.

D. All payments shall be made through the agency of VENTES OSARUS and will be demanded in its entirety for the net amount stated on the invoice. Payment for subjects exported abroad shall be made through the Office des Changes (foreign exchange) by currency transfer made to VENTES OSARUS. Only when total payment of their invoices is made can the successful bidders be given their exit papers delivered by VENTES OSARUS.

Payment shall include the price of the auction and shall be increased by the costs of the said auction. These costs, as well as the price shall be payable immediately before the handing over of the documents, failing which, a sale on the basis of irresponsible bid shall be proceeded with

Payment to the vendor shall be made only when VENTES OSARUS is in possession of all the documents in respect of the horses for sale.

Article 14. Vendor's Payment.

The vendor will receive payment of the amount due to him upon receipt by VENTES OSARUS of the funds owed by the buyer, except :

- if the vendor is debtor of any amount toward VENTES OSARUS,
- in the event of "Folle enchère" (irresponsible bid),
- in the event where the purchaser does not pay the purchase price, VENTES OSARUS proposes to the vendor, within 12 days following the sale, to request the resale of the lot for "folle enchère" (irresponsible bid), but that the vendor refuses the resale for irresponsible bid and refuses the cancellation of the sale (article 16 § 2).
- if a conflict exists between the vendor and purchaser or any other third party (notably, nullity request or cancellation of sale, seizure, opposition to payment, etc.).
- if the drug tests stipulated in Article 6 of the present conditions of sale, or any other test requested by the purchaser and accepted by the vendor, show to be positive.

Under all circumstances, no payment shall be made to the vendor until the results of drug tests stipulated in Article 6 or requested by the purchaser and accepted by the vendor following the sale.

Furthermore, no payment shall be made to the vendor until the expiry of the 30 day period after the day of sale, during which a lot can be returned in accordance with the terms of article 7 of the present conditions of sale. VENTES OSARUS reserves the right to offset receivables and debts in respect of the same customer at the time of the sale.

If VENTES OSARUS has not received payment from the purchaser but pays the vendor, VENTES OSARUS will immediately become subrogated in the rights of the vendor for the recovery of any sums owed by the purchaser. The vendor shall have sole responsibility for the statutory declarations to the relevant tax authorities for VAT if applicable.

No payment can be made to the vendor by VENTES OSARUS if all the necessary paperwork has not been lodged with VENTES OSARUS.

Article 15. Ownership reserve clause.

All sales are subject to an ownership reserve clause to the benefit of the Vendor. In consequence, the Purchaser will not be able to resell, lend, hire out, give, pledge or provide the horse before total payment of the purchase price to VENTES OSARUS.

The purchaser will be obliged to inform all third parties of the existence of a reserve of ownership and to inform VENTES OSARUS of any event that may have an incidence on the ownership or the possession of the horse (collective procedure, liquidation, seizure, etc.).

As a consequence of the ownership reserve clause, the Vendor will remain owner of the horse until payment in total has been received by VENTES OSARUS. If the Purchaser has not paid the purchase price, the Vendor can recover possession of the horse wherever he may be, and may dispose of it, the sale being cancelled. The horse can be offered for sale at public auction and the defaulting purchaser will be liable for the difference between the initial purchase price (plus purchaser's fees) and the resale price achieved under the hammer, without prejudice to any compensation.

Notwithstanding the ownership reserve clause, all risks (death, accident, illness, disease, etc.) and all fees (boarding, any other fees, etc.) pertaining to the horse are transferred to the Purchaser at the fall of the hammer.

The successful bidder or its representative shall not let the purchased horse leave metropolitan France before full payment of the purchase price to VENTES OSARUS.

Article 16. « Folle Enchère » (Irresponsible bid)

Irresponsible bid on the day of the sale:

VENTES OSARUS reserve expressly the right to proceed to the resale on “folle enchère” any animal whose buyer fails to make settlement for his purchase. The vendor may not claim the difference in price from VENTES OSARUS.

In the event that VENTES OSARUS considers that the buyer does not offer sufficient guarantees for the payment of his purchase, VENTES OSARUS will be entitled within 12 days following the end of the sale, should immediate payment not be made, to re-sell the Lot under the procedure known as ‘folle enchère’, without process of law at the sole risk of the defaulting Purchaser. The defaulting Purchaser will become financially liable towards the vendor for the fees from the first sale as well as the resale. He will be liable to pay the difference between the purchase price from the first sale and the resale price and will not be able to claim the potential excess. Such an excess shall go to the Vendor.

VENTES OSARUS has the sole responsibility for determining when it is necessary to re offer an unpaid horse on “folle enchère”.

Irresponsible bid after the sale:

In the event that the Purchaser is in default by failing to pay monies due or if he does not present sufficient guarantees for the payment of his purchase, VENTES OSARUS will inform the Vendor.

The defaulting purchaser will receive a formal payment request letter from VENTES OSARUS demanding payment of the purchase price.

Should this payment request remain unsuccessful, the horse will be offered for resale on “folle enchère” during the next VENTES OSARUS sale or in another specialized sales company.

The defaulting purchaser will be obliged to pay the difference between the initial purchase price (plus related fees) and the resale price, without prejudice to any compensation.

If the Vendor does not wish to proceed with the resale of the horse following an irresponsible bid, he will officially inform VENTES OSARUS. Upon the Vendor’s request, the sale shall be cancelled in compliance with the Article L321-14 of the French trading laws (Code du Commerce). The horse will be returned to the vendor by the defaulting purchaser, without prejudice to any compensation that the defaulting purchaser may become liable for.

Article 17. Legal Address.

VENTES OSARUS has the right to ask a foreign buyer to designate an address in France, care of either his trainer or agent or another representative, in the interests of both parties and to facilitate the exchange of information and documents.

Article 18. Release notes.

No horse either sold or unsold shall leave the vendor’s premises without a release note. The note shall be given to the vendor after the sale.

After the sale, all fees (including boarding fees, etc.) pertaining to the lot will be at the cost of the purchaser.

Prior to collecting their horse, all purchasers or their representative shall sign the release note at the vendor's premises.

The purchaser will personally organise the transport of the lot and inform VENTES OSARUS so that the release note can be issued. All horses purchased must be collected at the vendor's premises within 48 hours, unless otherwise agreed with the vendor. After this time, a guardianship fee of 30 € (+VAT) per day will be charged. **All risks (death, accident, sickness, etc.) are transferred to the purchaser at the end of the sale.**

Article 19. Vendor's charges.

These costs are outlined on the entry form for each sale and on the sales authorisation ("réquisition de vente").

Buy backs must be notified on the day of sale, failing which vendors will be charged the usual purchase fees.

The vendor will be liable for any additional tax or due imposed by the Government or local district over or above what is currently applicable.

Any invoices sent to the vendor are due for immediate payment. If immediate payment is not forthcoming VENTES OSARUS will send a reminder within 8 days, after which period interest at 0,75% a month will be charged to the vendor's account from the date of the invoice.

Article 20. Purchaser's charges.

For sale at auction or subsequent private sale in addition to the hammer price the following fees are payable by the purchaser.

All horses are sold with VAT, unless otherwise announced on the day of the sale, before the sale of a lot, the hammer price never includes VAT.

Each horse can be totally or partially exempt from VAT.

For horses that are exempt from VAT., it is specified that the name and contact details of the purchaser must be conveyed to the vendor.

Following the sale, the purchaser may inform VENTES OSARUS if he wishes his purchase to be subject to VAT, even if the vendor is not VAT registered.

1) Purchase costs:

For thoroughbreds, Arabian horses, AA, OC and AQPS horses:

Hammer price **inferior or equal to €15,000** before VAT: Purchase fee of **7%** (+VAT) per lot

Hammer price **over €15,000** before VAT: Purchase fee of **6%** (+VAT) per lot

For trotters:

Purchase fee of **6%** (+VAT) per lot

2) VAT: Calculation basis = hammer price + purchase costs.

VAT at a rate of 10% for mares having been covered, fillies out of training to be covered during the season, stallions and stallion shares.

VAT at a rate of invoicing VAT for all of horses of racing age, yearlings and foals.

a) The calculation of VAT distinguishes 5 cases:

- The buyer pays VAT in France: invoicing VAT (VAT can be reclaimed by the buyer).
- The buyer pays VAT in an EU member country other than France and supplies his EU identification number and the horse is delivered in an EU country: exemption from VAT (production of documentary evidence of delivery is compulsory).
- The buyer pays VAT in an EU member country other than France and supplies his EU identification number and the horse stays in France: reversal of liability for the payment of VAT (Art. 283.1 of the CGI).
- If the buyer is not registered for VAT in France or in another country: charged at invoicing VAT (VAT which aren't retrievable by the Purchaser).
- If the horse is exported from the EU: exemption of VAT on presentation of customs document confirming export, (the original DAU No 3), and giving VENTES OSARUS as the exporter.

b) Horses sold under the provisions of temporary importation regulations give rise to four possible outcomes:

- If the buyer is registered for VAT in an EU country other than France and provides their VAT number and the horse is exported from France to another EU country ; exemption from VAT on presentation of a document confirming arrival in EEC country.
- The buyer is registered for VAT in an EU country other than France and provides their VAT number and the horse remains in France; VAT charged at invoicing VAT.
- The buyer is not an EU resident and wishes to keep the horse in temporary importation; no VAT is charged but the buyer meets the costs of the transfer of the temporary importation.
- The horse is exported immediately; exemption from VAT on the condition that the document of temporary import is cleared by the buyer with the Customs Administration.

VENTES OSARUS disclaims all responsibility as regards the judicial or tax consequences resulting from a false declaration made by the buyer.

Article 21. Commission to Intermediaries.

Intermediaries (trainers or bloodstock agents) acting for themselves or on the account of an owner(s) in the purchase of a horse will receive, according to practice, commission, on horses purchased.

This commission will be awarded to the intermediary after payment for the horse(s) has been received, on condition that VENTES OSARUS has received one invoice per horse purchased within a month following the end of the sale.

For thoroughbreds, Arabian horses, AA, OC and AQPS horses: commission can be requested by the intermediary (trainer or bloodstock agent) on all purchases equal or above €1,500. This commission is of **5%** (+VAT) of the hammer price.

For trotters: commission can be requested by the intermediary (trainer or bloodstock agent) on all purchases equal or above €5,000. This commission will be taken from the vendor, as specified on the entry form for the sale and on the sales authorisation (“réquisition de vente”). Commission rates are:

- 8,34% (+ VAT for intermediaries subject to VAT) of the hammer price for horses in training and yearlings.

- 4,17% (+ VAT for intermediaries subject to VAT) of the hammer price for all other trotter animals (mares out of training, broodmares in foal or barren, foals, breeding rights, stallion shares, etc.).

If these conditions are not met or the time limit has passed, no commission will be paid by VENTES OSARUS. In the case of a dispute arising between Purchaser(s) and Vendor(s), the right of the trainer's or bloodstock agent's commission will be cancelled. No commission will be paid by VENTES OSARUS until all owed sums are paid by the purchaser.

VENTES OSARUS reserves the right to deduct any amounts owed by the intermediary to VENTES OSARUS from any potential commission.

Article 22. Entries.

Vendors and buyers shall comply with racing societies regulations as regards everything concerning the racing entries and withdrawals of the horses put up for sale.

Article 23. Cancellation of sale.

In case of cancellation of the sale for any reason, the Vendor shall be held liable to reimburse the Buyer for the full purchase price and purchase fees as well as all expenses incurred by the Buyer on account of the horse while in France until time of cancellation of the sale. In the event of export of the horse, the costs incurred in transport of the horse outside France, maintaining the horse, and return transport to France shall be borne by the Buyer.

In any case, no action shall be brought against VENTES OSARUS who cannot be held responsible.

It is expressly understood that the Buyer has no right to make any claim except one based on redhibitory defects if any horse sold starts in a race.

No claim for cancellation of the sale may be made against the Vendor after the one-month warranty period, and only for the causes herein before set forth.

Article 24. Jurisdiction

All disputes regarding the interpretation of these conditions shall be referred to the **competent courts of VENTES OSARUS headquarters, in Lisieux (14100).**