

Conditions of Sale - Trakehner Stallion Market - Neumünster 2017- „Embryo“ Auction

The following constitutes the agreement and legal obligations between the buyer and the auction conductor/seller (Trakehner Gesellschaft mbH), henceforth called "organizer"

1. Organizer/Seller

(a) The auction is conducted by the Trakehner Gesellschaft mbH, Rendsburger Straße 178a, 24537 Neumünster, Germany, represented by Managing Director Lars Gehrmann. The Trakehner Gesellschaft mbH sells the listed embryo in its own name and as commission agent for the consigner/owner listed in the auction catalog.

Public auction

(b) The auction is held as a public auction, as outlined in § 474 paragraph 1, sentence 2 BGB, and conducted by a licensed professional auctioneer at the Holstenhallen facility, located at Justus-von Liebig-Str. 2-4, in Neumünster. The auctioneer is the sole person with the authority to offer the horses for sale at the auction and to accept bids for the same.

The auction is open to anybody purchasing a ticket to the event, as long as tickets are available.

The sale of a particular horse, and the Bill of Sale for such horse, becomes effective upon the conclusion of the bidding for such horse as determined by the auctioneer in his/her sole discretion. Accepted bids are binding for both the successful bidder as the buyer and the organizer/commission agent (Trakehner Gesellschaft mbH) as the seller.

2. Bidding

The prices will be called in Euros.
The opening offer will be 5000 €.

The auctioneer determines the bidding increments and minimum bids.

The final price in the auction is considered a net price.

3. Payment slip

The successful bidder must sign a purchase/payment slip, which will identify the purchased horse, the catalog number, the winning bid amount, and the name of the buyer.

If the successful bidder does not sign the purchase slip, or he/she otherwise refuses to pay for the embryo in utero, the auctioneer may return the embryo to the auction lot. Even if the embryo is returned to auction, the first bidder remains liable for his/her refusal to pay, including, without limitation, for paying to the organizer the difference in price should the horse be purchased by another buyer upon re-presentation at the auction.

4. Validity of the bid

Any claims challenging the validity of a successful bid must be raised immediately. Claims must be addressed with the auctioneer as well as the General Manager of the organizer. The auctioneer has the authority to decide whether to annul the bid and place the embryo back in the auction for re-bidding.

5. Transfer of risk

The successful bidder assumes all risk of loss related to the embryo and the surrogate mare immediately following the auctioneer's acceptance of the winning bid

6. Passage of title

a) Title to a purchased foal that results from the embryo passes to the successful bidder only after the purchase price and all associated fees have been paid in full.

b) All participants in the auction, including successful bidders/buyers, release the Trakehner Gesellschaft mbH, the auctioneer, as well as the consigner/owner from any third party liability claims. By participating in the auction, any and all liability or potential liability of the Trakehner Gesellschaft mbH, the auctioneer, and/or the consigner/owner is released and discharged.

The foregoing release does not apply to damage claims arising from personal injuries to life, body and health, if the consigner/organizer, the auctioneer, their legal representative, or their employees or agents is responsible. This release of liability further does not apply to damages caused by the deliberate or grossly negligent violation of a legal duty by the consigner/organizer, the auctioneer, their legal representative, or their employees or agents.

7. Price

The final price for each horse sold shall consist of (1) the final bid; plus (2) an amount equal to 6% of the final bid, as commission; plus (3) applicable V.A.T..

An insurance for unborn foals can be purchased by the successful buyer in the auction office. Its conditions can be viewed at the office as well.

Example:

Final bid (knock-down price)	10,000.00 €
+ 6 % commission fee	0,600.00 €
= subtotal	10,600.00 €
+ plus 19 % V.A.T.	2,014.00 €

Purchase price (buyer's obligation)	<u>12,614.00 €</u>

The purchase price becomes due upon acceptance of a winning bid by the auctioneer and must be paid in cash or via check immediately after the auction in the auction office, or no later than 7 days after the auction by wire transfer. Costs and interest associated with check payments are the responsibility of the buyer. Payment via check is only considered completed when the check has irrevocably cleared the bank. In case of payment via electronic funds transfer, the horse may only be transferred if the consigner/seller agrees.

8. Representations regarding the condition of the horse

All representations regarding the embryo are listed in the auction catalog. No guarantees about the future gender will be made.

The surrogate mare is in good health. She is de-wormed and vaccinated. A pregnancy check was conducted within three days before the auction. A venterinary ceriticate as to her pregnancy status can be viewed in the auction office.

9. Mangelrechte/Haftungsausschluss/Gerichtsstand

As mentioned above (Section 8), no representations have been agreed upon. All warranties for defects and warranty rights are excluded, released, and disclaimed. The seller explicitly excludes warranties for the birth of a healthy foal free from defects of any kind.

This release does not apply to claims for damages arising from personal injuries to life, body and health due to negligence from the organizer, its legal representatives or its employees or agents.

This release of liability also does not apply for damages, which result from any other intentional or grossly negligent violation of a legal duty by the organizer, its legal representative or its employees or agents.

10. Surrogate mare

The embryo will be delivered tot he buyer in utero. The surrogate mare is owned by VETART GmbH (Veterinary Assisted Reproductive Technologies, Buchenhof 2, 25578 Dägeling, Germany). She has to be taken over by the buyer after transfer of risk. She has to be returned no later than 6 months after the foal is born. She has to be in good health and condition, de-wormed and vaccinated. She has to be returned to the owners. All costs that are associated with the care of the mare during this time frame are the responsibility of the buyer.

11. Transport/removal from the premises

The surrogate mare may be removed from the auction premises until payment has been finally settled with the organizer. The horse may only be removed from the premises only after an exit voucher issued by the auction office has been presented.

Should a purchasing party require the help and assistance from the consigner/owner, his/its personnel or any other person involved officially in the conduct of the auction, the purchaser releases the organizer and any person providing such assistance from any and all liability connected therewith, except for personal injury caused by such person's gross negligence.

12. Insurance after the auction

An insurance for unborn foals can be purchased by the successful buyer in the auction office. Its conditions can be viewed at the office as well.

13. Inclusion of conditions of sale

The conditions of sale are printed in every auction catalog. Furthermore, the conditions of sale are made public. All cashiers have similarly been provided with a written description of the conditions of sale.

14. Place of performance/fulfillment.

For all services rendered hereunder, with respect to the auction, or any contracts related thereto, the place of performance is Neumünster.

If the buyer is a merchant, a corporate body under public law, or public separate assets, the place of fulfillment is Neumünster. Place of jurisdiction is also Neumünster.

15. V.A.T. after export.

If the foal born from this embryo is exported from the Federal Republic of Germany, the bill will be exempt from taxation as long as all requirements for tax exemption according to § 4 No. 1 Value Added Tax Act (UStG, current version) are met. To this end, all necessary certificates (especially the certificate of export, VAT identification number) must be presented to the organizer as soon as practicable.

If the foal is not exported immediately after the sale or remains in Germany for further training (§ 7 UStG), the buyer has the burden of proof for any subsequent claim of tax exemption. The buyer is further responsible to cover all costs associated with proving any tax exemption, including those billed by the Trakehner Gesellschaft mbH.

The Trakehner Gesellschaft mbH reserves the right to refund the billed V.A.T. only after the appropriate tax authorities have verified the tax exemption.

16. Choice of law.

For this auction, and all potential out of court and legal measures regarding the terms and conditions of the contract of sale, German law under exclusion of the United Nations Convention on Contracts for the International Sale of Goods applies.

17. Superiority of the German version.

Conditions of sale are available in German and English language. In case of discrepancy, only the German version is binding. When interpreting, the German version is the authoritative version.

18. Severability clause

If any term listed above is void or unenforceable, no other terms shall be affected.