



Conditions of sale

These conditions of sale are assumed to be known to and accepted by all Vendors and Purchasers without reservation of any sort whatsoever. They are applicable to all business transacted by ARQANA in the course of any sale organised by ARQANA Trot.

As the sale is open to the public, admission to the sales premises is free. As the presentation of the horses involves certain dangers, visitors and inexperienced persons are at their own risk and peril when moving about the sales premises, and should comply with all security regulations imposed by the management of the sale.

1 - Sales at Public Auction

Sales at public auction are, in accordance with the law of July 10th 2000 and the articles 2001-650, 651 & 652 (modified) which deal with the voluntary sale by public auction of movable goods, as well as the law of July 20th, 2011, decree n°2011-850, and the French commercial code ARQANA, which was recognised as a company which organises voluntary sales on March 28th 2002 under the number 2002-121, will act on behalf of Vendors, who agree to give responsibility for billing and collecting money to ARQANA.

These General Conditions of Sale are applicable in all cases except in the case of an announcement prior to sale, which announcement shall be written in the official record of the sale.

The private sale of any horse sold by auction by ARQANA which is bought back by the Seller, subject to a subsequent transaction involving ARQANA shall be considered as a public auction as regards applicable provisions.

ARQANA Trot acts as the sale organiser and provides (technical & material) assistance to ARQANA. The Responsibility of ARQANA & ARQANA Trot to Seller or Buyer is limited to the responsibility herein defined and contractually accepted by Seller and Buyer. In a general way, ARQANA & ARQANA Trot are not liable in any way to Purchasers or any Third Party for a breach of the conditions of sale.

2 - Bidding

Minimum Bid : Thursday : 1000 €

Friday : vente Open 1 000 €, vente Prestige 2 000 €

Payment in full for any lot purchased is immediately due.

In accordance with the law, bidding will be conducted in Legal euros, the conversion into foreign currencies displayed shall be for information only.

ARQANA reserve the right to reject any bids made by people who they do not know to be creditworthy. In particular, any bidder who has an unpaid account with ARQANA or any Auction House is not taken to be creditworthy.

If it is established that two or more bidders have simultaneously bid the same amount at the same time on the same horse, either by voice or signal, and they each claim the horse after the fall of the hammer, the horse in question shall be immediately put up for resale at the last bid, and any person present may bid again. The horse will then be sold to the person offering the highest bid.

Should immediate payment not be made, the horse in question may be re-offered under the procedure known as «Folle Enchère» in the same sales session.

ARQANA can authorise a delay for the settlement of a purchaser's account upon presentation of a guarantee of payment. This delay may not exceed 20 days from the date of the sale. The horse may neither be entered in or take part in any race until entire account is settled, which will comprise the sale price, commissions and VAT. ARQANA must be notified of the place of board of the horse and must be notified in advance of any change thereof.

In the 30 days following the sale, upon default of payment by the purchaser, and after having served a final notice without result, ARQANA may take possession of the horse for which full payment has not been received. The defaulting purchaser will be liable for the difference in price between the original sale price and that of the resale and does not have the right to any sum in excess. The vendor may equally request the resolution of the sale without penalties.

3 - «Folle Enchère»

ARQANA expressly reserves the right to re-offer a horse, at the latest on the day after the sale, if the bidder defaults or is incapacitated.

Should the successful bidder fail to sign the acknowledgement of purchase, ARQANA shall re-offer the horse but cannot be held responsible for any discrepancy in price.





In these circumstances ARQANA cannot be considered liable either by the Seller, or by the Buyer who has disappeared.

Should the Vendor, or, where appropriate, his representative expressly oppose re-offering the horse, ARQANA shall be discharged from the payment guarantee specified in Article 14.

In the case of resale under «Folle Enchère», in the absence of instruction to the contrary by the Seller, given to ARQANA before resale, the reserve price previously established shall remain in effect.

4 - Informations to be Supplied by the Vendor

It's the Vendors' responsibility to provide in writing prior to the sale all information which they are required to make public.

ARQANA & ARQANA Trot are responsible solely for the accuracy and good faith of statements made by the Vendor with those made to the public, including but not limited to identification of horses, their pedigrees or countries where foaled, their earnings, their racing engagements, their redhibitory vices or the applicability of V.A.T.

ARQANA Trot and ARQANA specify that the :

ARQANA Trot will publish a list of horses, whose vendors have provided veterinary file, the sign : above the pedigree and on the box door indicates them.

The Veterinary file is compiled by the vendor with veterinary advice. It will include X Rays (minimum 12 views of fetlocks and hocks) as well as other documents of interest to veterinarians working on behalf of buyers.

Each purchaser will be able to consult these files, the day of the sale, at the sales office. An area will be set aside for the consultation of these documents by the purchaser's veterinary surgeon.

Prior to the consultation of any veterinary file at ARQANA and ARQANA Trot, a consultation form must be completed and signed by the purchaser or his veterinary surgeon who will undertake not to disclose any information found therein.

Each purchaser may, with the authorisation of the vendor, have his own veterinary surgeon carry out a further examination; this will be at the responsibility and expense of the purchaser.

Thus, the Vendor must indicate in writing, prior to the sale, any errors or omissions set forth in the catalogue in order that these errors or omissions may be disclosed to the public by announcement from the Rostrum before the sale and entered in the Official Record of the Sale.

Any Vendor who does not provide, before the beginning of the sale, a written correction concerning the information set forth in the catalogue with regard to horses offered by him, will be construed to have approved this information as published and the responsibility for the accuracy of this information will lie entirely with him.

ARQANA & ARQANA Trot draw the attention to Buyers on announcements from the rostrum during the sale which can contain important information which is not included in the catalogue.

5 - Withdrawal

For each horse accepted and listed in the catalogue of this sale but not presented for sale, the Vendor shall, unless he provides a Veterinary Certificate confirming the impossibility of presenting such horse pay to ARQANA a sum not less than 3 000 €, in addition to the entry fees.

ARQANA reserves the right to request that the President of any Court of competent authority designate an expert to determine the state of any animal.

This sum will equally be due if the horse is absent because it is being offered at another sale, in addition to the entry fees as specified in the entry form.

6 - Documents of Origin

Horses entered by the Vendor must be accompanied by proper documents, notably the Passport, Vaccinations certificate, Certificate of title (french horses, «carte d'immatriculation»), Registration Certificate (foreign horses, I.E. deposit receipt and description book) plus a covering certificate for pregnant mares when the mares are sold with covering paid (and only the "attestation de saillie" for mares where an outstanding amount is payable).

These documents must be provided by the Vendor before the sale to ARQANA Trot or to ARQANA office the day of the sale. The responsibility remains entirely with the Vendor in the event that the documents for any horse are not submitted before the sale and ARQANA & ARQANA Trot shall have the right to refuse to offer such horse in the sale.

However, if the sale of the animal goes ahead, ARQANA shall not, under any circumstances, be liable for the absence of the required documents.

In addition, the Vendor agrees to accept the identification of horses offered as made by the Official Veterinary Officer.

A NEGATIVE COGGINS TEST certificate issued less than 30 days previously must be lodged at the office before the sale, without which certificate the horse will be unable to be offered for sale. All documents are lodged and collected from ARQANA Office.

Payment to the Vendor may only be made once ARQANA is in possession of all documents for the





horses sold, as well as a copy of the declaration made to the SECF in the case of the dissolution of a partnership.

7 - Guarantees by the Vendor

Horses offered for sale by auction are sold with the sole **legal warranty provided by the French Rural Code (articles 213-1 and R 213-1 et seq.)**, exclusive of any other warranty bar conventional warranties applying to stable vices, abnormal inspiratory sounds and locomotor ataxia (wobbler syndrome).

Conventional warranties:

The buyer may seek the resolution of a sale in the case of stable vices, abnormal inspiratory sounds or wobbler syndrome according to the below conditions, and of which he would not have been aware before the sale.

1 - Stable vices:

Stable vices such as crib-biting, wind-sucking, habitual weaving and habitual box-walking shall be announced from the rostrum, failing which the buyer may seek the resolution of the sale.

Therefore, any lot that

(a) is a Wind-sucker (i.e. habitually gulps or swallows air whether in association with grasping fixed objects with incisor teeth or not) or a Crib-biter;

(b) has been operated on for the correction of Wind-sucking as defined above, including Cribbiting;

(c) is an habitual Weaver (i.e. habitually swings its head and neck to and fro and transfers weight from one forelimb to the other alternately) or

(d) is an habitual Boxwalker (i.e. habitually walks either backwards and forwards or round and round the box repeatedly in an aimless manner)

shall be returnable unless it has been so described, in which case the lot is not returnable.

2 - Abnormal inspiratory sounds:

Any Lot described as a Yearling may be returned, unless it has been so described or described as having been "heard to make a noise" without qualification, if:

(a) it is a Whistler and/or a Roarer, i.e. makes a characteristic abnormal inspiratory sound when actively exercised and whose scope reveals a Laryngeal Hemiplegia or a Recurrent Laryngeal Neuropathy;

(b) it has been tubed or otherwise operated upon for the correction of Whistling and/or Roaring (operations to treat the displacement of the soft palate, including the operations tie forward, cauterization of the soft palate, trimming of the soft palate and myectomy are not operations for the correction of Whistling and/or Roaring within the meaning of this sub-condition), or;

(c) it makes an abnormal inspiratory noise when actively exercised and has (i) a rostral displacement of the palatopharyngeal arch (fourth branchial arch defect); or (ii) a chondroma or severe arytenoid chondritis; or (iii) a cleft palate; or (iv) epiglottic entrapment; or (v) a sub-epiglottic cyst,

Any Lot described as a Horse in Training or showed on the track, unless it has been so described, if:

(a) it is a Whistler and/or Roarer as hereinafter defined (in the case of a Horse In Training, a Whistler and/or a Roarer is a horse that makes a characteristic abnormal inspiratory sound when actively exercised and whose scope reveals a Laryngeal Hemiplegia or a Recurrent Laryngeal Neuropathy;

(b) it has been tubed or otherwise operated upon for the correction of Whistling and/or Roaring (operations to treat the displacement of the soft palate, including the operations of tie forward, cauterization of the soft palate, trimming of the soft palate and myectomy are not considered as operations for the correction of Whistling and/or Roaring within the meaning of this sub-condition).

3 - Locomotor Ataxia

Any Lot which suffers from locomotor ataxia (or cervical spondylomyelopathy or Wobbler syndrome) is returnable under the present condition.

Specific return procedure applying to the three aforementioned resolution cases

In case of stable vice or abnormal inspiratory sound or locomotor ataxia, the purchaser may seek the resolution of the sale by sending to ARQANA, either by post or email, a notice in writing before 5:00 p.m. on the 7th day after the day on which the lot was sold, along with a veterinary certificate.

Upon the vendor's request, communicated to ARQANA in writing within 4 days from the transmission of the report made by the purchaser's veterinarian, a joint amicable expert evaluation may be ordered by ARQANA. It shall be carried out by a veterinarian appointed by ARQANA, each party being allowed to be assisted by its own veterinarian.

Failing agreement between the parties following this second opinion, the purchaser may bring the





case before the court according to regular legal remedies, within 30 days from the reception of the amicable evaluation report.

Redhibitory Vices

Moreover, the vendor shall guarantee the buyer against the vices specified in section R 213-1 of the French Rural Code which he/she would not have declared before the sale.

Any action taken by the buyer in respect of the said redhibitory defects shall be taken in accordance with the provisions of section R 213-3 et seq. of the French Rural Code, i.e. within 10 days from the delivery, not counting the day of delivery, except for periodical inflammation and infectious anaemia for which such period shall be 30 days not including the day of delivery.

All deadlines shall expire on the last day at 12:00 pm. Whenever a deadline expires on a Saturday, a Sunday or a Bank Holiday, it shall be extended to the first working day that follows.

Within the stated period, the buyer must 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, failing what his/her application shall be turned down.

Within the same period, the buyer must initiate one of the legal actions started by the occurrence of a redhibitory vice as defined in articles L. 213-1 to L. 213-9 of the French Rural Code.

Within the same period, the buyer must inform ARQANA, by registered mail, of the submission of his/her claim to the Judge and enclose a veterinary certificate detailing the vice concerned.

Veterinary File and Arbitration

Any Purchaser who has access himself, or through the intermediary of his veterinary surgeon who has also had access to information concerning a horse, redhibitory vice, X-Rays etc, will be deemed to have been informed of any such vice and will therefore be unable to claim ignorance of such facts as a motive to have a sale annulled.

Failure to have had access to this information and if in the 30 days following the day of sale, the Buyer feels that the horse is affected by a latent defect, he may, at his own expense, 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 used by the Seller 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.

The Purchaser's action for cancelling the sale must be brought directly against the Vendor, whose name will be supplied to him on demand by ARQANA. In any case, this action may not be entered against ARQANA, who cannot be held responsible.

No claim, even in case of redhibitory-vice, can be entertained if the Buyer has not paid in full the purchase price of the horse in question.

In the case of a redhibitory-vice, the purchase price will be held by ARQANA until the claim is resolved (see article 14).

Claim for cancellation of sale relating to the testing of prohibited substances

The sale shall be annulled automatically (except at the request of the purchaser) for horses which have, before the sale, either won or placed and which, subsequent to a positive test for prohibited substances, have had such results rendered void by the SECF. In this case, the Vendor will be obliged to reimburse the full purchase price (including sales commission) and to take back the horse. To recover this money the Buyer, or his representative, must make a written request, by registered post, within fifteen (15) days of reception of written notification from the SECF concerning the disqualification.

Lot identification

The vendor must ensure that each horse presented for sale carries the proper lot number by which he is identified in the catalogue. In case of error or confusion, it is incumbent on the Vendor to correct such error or confusion, and this responsibility shall not be placed on ARQANA or ARQANA Trot.

ARQANA & ARQANA Trot will commission a Veterinary Surgeon to check the horse's passport. Where the identify is in dispute, the Vendor shall agree to a blood test and to have any necessary photographs taken.

The Vendor must ensure that horses presented for sale have had the Vaccinations as laid down by the French rules of racing, as well as the negative Coggins Test dated within 30 days of the sale.

Horses which are sold under any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory body, are sold "as is" and "as seen", without any guarantee, and no warranty or representation in relation to the condition is made by ARQANA in relation to such horses, in accordance with article 1649 of the civil code.





Broodmares

All Vendors of Broodmares must state precisely in the catalogue the mares complete breeding record since going to stud.

The Vendor is responsible for the accuracy of such information and the Purchaser may only sue him for any error or omission. Where significant information in the catalogue, or announced from the Rostrum at the Vendor's instruction, is proved to be inaccurate or incomplete, the sale may be cancelled at the request of the Purchaser, up to 30 days after the sale.

The Vendor may have confirmation that the mare is «in foal» announced from the Rostrum if it is supported by a veterinary certificate dated within the 10 days preceding the sale.

The Purchaser is entitled to have the mare examined by a veterinary surgeon approved by the Vendor within 24 hours of the sale and before she has left the sales complex. If the resulting pregnancy diagnosis turns out to be contrary to the Vendor's statements, the sale shall be cancelled automatically. A broodmare sold as «not in foal» which has been covered, and which turns out subsequently to be «in foal», shall be returned to the Vendor. The Vendor shall reimburse the Buyer for the purchase price with interest added at the rate of 12 % per annum, as well as for the sales charges and boarding fees at the prevailing rates, within 15 days of the Purchaser's notice by registered letter that the mare is in foal. The Purchaser nevertheless has the option of keeping the mare if he offers to reimburse the Vendor for the Covering Fee alone without any supplementary expenses.

Where the Purchaser lets the mare foal, he shall be deemed to have agreed to settle the Covering Fee whether or not the foal is viable.

The prospective Purchaser of a Filly out Of Training may, before the sale, ask the Vendor for permission to have her examined by a veterinary surgeon approved by the vendor with the object of establishing her fitness for breeding, in particular the state of her genital organs.

Each horse entered as being suitable to be a stallion is done so under the sole responsibility of the Vendor. The Vendor of a stallion, or a potential stallion, shall undertake in regard to the Purchaser (in particular for the French National Stud) to agree to the request of the Purchaser that the sale be cancelled where the animal has not passed the customary fertility tests within 30 days of the sale, and, for the French National Stud, its own prescribed tests.

8 - Responsibilities of the Vendor

Horses to be sold, complete with bridle and rope, must not arrive later than the morning of the sale so as to allow the Buyers time to examine them.

The head-collar becomes the property of the Purchaser.

In addition, a horse can be refused for the sale if it does not have a bit bridle.

The Vendor must ensure that he employs a groom to take responsibility for looking after not more than three horses. An additional groom must be taken on for every three horses or fraction thereof.

The Vendor must ensure that he or his representative is present at the time of the sale to make any necessary decisions, particularly in the event of an irresponsible bid or the horse being unsold.

9 - Cancellation of Sale

In the 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 Purchaser's commission, as well as all expenses incurred by the Buyer for the horse while in France until the time of cancellation of the sale.

In the event of export of the horse, the costs incurred in transport of the horse outside France, upkeep of the horse, and return transport to France shall be borne by the Buyer.

In any case, no action shall be brought against ARQANA & ARQANA Trot who cannot be held responsible.

It is expressly understood that a buyer forfeits his right to have a sale annulled on the basis of redhibitory vice should the horse take part in an equine event of any nature.

No claim for cancellation of the sale may be made against the Vendor after the 30 days warranty period, and only for the aforementioned causes

10 - Responsibility for Injury By, or To, The Horse

Until the horse is sold, that is to say until the fall of the hammer, the horse or lot for sale remains the property of the Vendor, so ARQANA & ARQANA Trot cannot be held responsible, neither for accidents, nor sickness or injury or any sort sustained by the animals or caused by them to any persons who may be within or without the sales complex. Risk of fire and loss and injury also remain entirely the responsibility of the Vendor.

Each potential Purchaser will proceed to the consultation of the medical file and if the need arises, the complementary veterinary tests, under his responsibility and at his expenses, within the protocol established by the Association of Equine Veterinarians. In case of accident caused to a horse or by a horse examined by the potential Purchaser or by his veterinarian, the latter will be solely responsible and will have to bear all the direct or indirect consequences, Sellers and





Purchasers committing themselves not to hold ARGANA & ARGANA Trot responsible in any case. Loading and unloading and of transport from the railway station at time of sale, and similar operations, are made for the account of and at the expense, risk and peril of the Vendor.

After fall of the hammer, the Purchaser is substituted for the Vendor with respect to these responsibilities.

The fact that ARGANA & ARGANA Trot may perform these functions on behalf of the owner (Vendor or Purchaser) of loading, unloading or shipping, in no way nullifies the conditions stipulated above. In addition, Purchasers and Vendors are always free to take charge themselves of the loading and unloading.

11 - Unreserved sale

As the sale is voluntary the seller or his agent can still buy back the horse he has presented if he deems that the bids are not high enough on condition that he declares so himself or through his agent holding due power of attorney in writing. Such declaration shall be made to the auctioneer as soon as the horse is bought back. The seller shall then bear the costs of the purchase as indicated on the entry form.

12 - Sale to Dissolve a Partnership

When a sale is required in order to dissolve a partnership between Co-Owners, it must be without reserve, in order that a co-owner cannot buy in or not sell the part which belongs to his co-owners. On the other hand, any one of the co-owners can always bid for his own account on the whole lot and have it knocked down to him; in such a case the sale charges incumbent on the Purchaser shall be due only on the part which did not belong to him previously and buying back fees will apply to the part which belonged to him.

In the case when one partner buys the share of another ARGANA does not guarantee payment to the partner selling. The partner selling will be paid by ARGANA as soon as the partner buying has settled for his purchase.

13 - Vendor's Payment

ARGANA will pay for each horse, after having received the corresponding payment from the purchaser, thirty (30) working days after the sale (and not including the day of the sale), and guarantees total payment to the vendor for each horse sold forty five (45) days after the sale.

This guarantee is not, however, applicable in the case of a bid which is the subject of a dispute, in the case of and according to the terms of Article 13, or if the Vendor expressly agrees to accept such a bid, in spite of ARGANA's right to re-offer any lot knocked down to an irresponsible bidder who defaults or disappears. The Vendor will not, therefore be paid until payment has reached ARGANA.

In the event of Seizure, Action to Cancel the Sale on the part of the Purchaser, Legal Action between the Purchaser and the Vendor, or if a Third Party makes a claim on the money owing to the Vendor, the guarantee of payment is rendered void.

In other words the Vendor will receive payment after the receipt of funds from the Buyer.

The payment guarantee shall also become null and void if the Vendor owes money to ARGANA.

Furthermore, payment, upon receipt of the funds from the Buyer shall be effected to the Seller minus sums due to ARGANA.

In the case of a sale to dissolve a partnership ARGANA does not guarantee payment to the Seller if one partner buys the share of another. ARGANA will pay the partner selling as soon as it has received payment from the partner buying.

In addition, ARGANA reserves the right to set off the customer's debts against the amount due to him at the time of the auction.

Vendors subject to VAT have sole responsibility for declaring and paying the VAT to the competent tax authorities.

14 - "Folle Enchère opposable au vendeur" (Irresponsible bid)

In the 10 days following the sale, ARGANA may inform the vendor of the purchaser's default. After having served final notice without result, with the agreement of the vendor, the horse can be re-offered at the earliest opportunity either by ARGANA or another sale company, the vendor may not claim the difference in price from ARGANA.

The defaulting purchaser will then be obliged to pay the difference between the original sale price and that of the resale and will not be entitled to any sum in excess, this sum being accorded to the vendor. In the case that the vendor does not wish the horse to be re-offered, and after having notified ARGANA by registered post, the sale shall be resolved by law and the horse shall be returned to the vendor, without prejudice.

After the 10 days following the sale ARGANA accepts the responsibility of guaranteed payment to the vendor on the 45th day following the sale, according to the conditions in Article 14.





From the 11th day ARQANA, subrogated by its payment guarantees, will become the legal owner of the horse and will dispose of all rights regarding said property, notably; undertake proceedings against defaulting purchaser; re-offer the horse and reclaim the difference in price between the original sale and resale, any surplus being the property of ARQANA.

15 - Payment by Purchasers - Release of Registration Papers

All sales made at Public Auction are deemed to be for immediate payment.

Only the Vendor may, after the fall of the hammer, authorize in writing the Purchaser to settle his debt at a future date under the terms of the Vendor's written submission.

This contract must be brought to the attention of ARQANA. In this case, ARQANA shall not settle with the Vendor until it has received payment from the Purchaser.

Every bidder is deemed to be bidding for himself, and the successful bidder, whose name shall be entered in the official record, shall be personally responsible for his purchase.

If the Purchaser states that he is acting for a third party he must have a written power of attorney from that person, and is jointly and severally liable with the aforesaid party for full amount of the bid. The Purchaser whose name is formally recorded shall be liable for his purchase in the event of his principal defaulting.

Where the Purchaser does not have a specific power of attorney, ARQANA may consider anyone who in one way or another shows himself to be the tacit principal of the Purchaser as a debtor on behalf of that Purchaser.

Henceforth, despite concessions previously made, no deductions of any kind may be made from invoices sent out by ARQANA. Such invoices must therefore be settled in full by the Purchaser or their agent.

All payment must be made to ARQANA, and will be in the total amount set for on the invoice.

Only after payment in full of the invoice and signing of the transfers of engagements may the Purchaser obtain the documents (passports and registration papers) with respect to their purchase, from ARQANA's office.

Payment will include the selling price plus the commission on the sale price. This commission, as well as the sale price, is due immediately, without the documents having been remitted, or the horse will be re-offered under «folle enchère».

In the case of no payment, ARQANA will advise the Purchaser by receipted registered letter that :

- he has eight clear days to settle his account,
- an interest of 0,75 % per month will be charged, on the total of the invoice, beginning on the 30th day after the sale.

- ARQANA reserves the right to hand the papers to its lawyer who will recover the amounts due.

- All fees chargeable to ARQANA to recover the amounts due will be borne by the debtor. They will not, however, be lower than 10% of the amount of the sums to be recovered.

- The horse may be seized by ARQANA and re-offered at the earliest opportunity either by ARQANA or another sale company, the defaulting purchaser will then be obliged to pay the difference between the original price and that of the resale and will not be entitled to any sum in excess.

In case of redhibitory vices, or sale cancellation under guarantee, proceeds will be held by ARQANA.

16 - Conditional Sale Clause

ARQANA, under the terms of its guarantee of payment having assumed the rights and obligations of the Vendor, retains title to the horses delivered until full payment of the price and incidental charges. In this case, the delivery of a draft, bill or certificate of indebtedness will not constitute payment under the terms of this clause.

The Purchaser is forbidden to dispose of the horse by sale, chattel mortgage, pledge or in any other way until he has made full payment for the price and incidental charges.

All agents undertake to bring this clause to the attention of their principals.

Where the horse is subject to any legal claim or other intervention by a third party, as in the case of insolvency, receivership or bankruptcy, the Purchaser shall so inform ARQANA immediately.

Despite the existence of this conditional sale clause, the Purchaser shall bear the risk of death, injury, or sickness of the horse. The Purchaser shall also bear all upkeep charges for the horse from the fall of the hammer.

In the event of non-payment of the price and incidental charges, ARQANA may at their discretion, without formality, repossess the horse on the premises of a public or private trainer, or wherever else it may be. Any proceeds resulting from this shall be deducted from the total of the sale price and charges, the original Buyer remaining liable for the balance of his bid, all related damages, and interest.

The original sale shall be cancelled automatically without a Court Order.

A simple summary order by President of the appropriate Court will be sufficient to confirm the right of ownership of horses not paid for. If the dispute is with a business, the relevant Court shall be the Tribunal de Commerce des Hauts-de-Seine.



17 - Pass Out Documents

No horse, whether sold or unsold, may leave the sales premises without a pass out which is obtainable from the Sales Office.

Before taking possession of their horses Purchasers must present themselves at the Sales' Office, either to settle their account, or to explain how it will be settled. They will then be given the exit papers necessary to remove horses from the sales grounds.

Unless the Vendor notifies the contrary to ARQANA & ARQANA Trot directly within half an hour of the sale, these exit papers will allow the lot to leave the sale grounds at the demand of the Purchaser, or of his agent, without ARQANA & ARQANA Trot being in any way responsible for the consequences.

Horses (whether sold or unsold) must be removed from the premises the day of the Sale.

18 - Sales Charges

Purchasers' Charges :

- At auction : the sales prices plus 6% (H.T.), payable in cash

- Private sales : the private sales prices plus 6% (H.T.), payable in cash

- Taxes : V.A.T.

- All horses are sold with VAT added on (calculation base = auction price + purchase costs)

- Some horses may be sold without VAT (not subject sellers).

Information announced at the forum during the presentation of the consignment (VAT only applied on 6% purchase costs)

- Rate 10% for broodmares, fillies out of training to be covered during the next breeding season, stallions and stallion shares.

Besides, the VAT on the sale charges follows the rate of the product and will thus be 10% on mares, fillies, etc...

- Rate 20 % for all the other categories including horses of racing age, yearlings and weanlings.

The calculation of VALUE ADDED TAX gives rise to 5 cases :

1) The buyer is registered for VAT in France : VAT is charged at (VAT recoverable by the buyer).

2) The buyer is registered for VAT in an EC country other than France, supplies his VAT number and the horse is transported to a country within EC : no VAT (proof that the horse is transported within EC is required).

3) The buyer is registered for VAT in an EC country other than France, supplies his VAT number and the horse remains in France : VAT is charged at (VAT recoverable from the French Authorities).

4) The buyer is not registered for VAT either in France or another EC country : VAT is charged at (not recoverable).

5) The horse is exported out of an EC country : no VAT is charged on presentation of a customs document confirming export (the original DAU n°3), and giving ARQANA Trot as the exporter.

ARQANA decline all liability for the legal and fiscal consequences of a false declaration by the Purchaser.

19 - Commission to Intermediaries

The intermediaries (trainers or bloodstock agents) acting for themselves or the account of an owner(s) in the purchase of a horse and who is present the day of the sale will receive, according to practice, a commission, taken from the owner's account, on horses purchased for at least 7,000 € :

- 8,34% + VAT for registered agent for yearlings and horses in training.

- 4,17% + VAT for registered agent for other horses and stallion shares.

This commission will be awarded to the intermediary after payment for the horse(s) has been received, on condition that :

a) his name and details are indicated on the purchase docket as soon as possible after the fall of the hammer.

b) ARQANA has received an invoice for this commission (10% or 5% including tax of the sale price, with the VAT declared at 10 % or 20 % depending on the rate applied), in the two months following the sale.

If these conditions are not met or the time limit has passed, no commission will be paid by ARQANA.

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 in the case of a buy-back on horses sold to dissolve a partnership.

20 - Engagements

Vendors and Purchasers are subject to the regulations of the Racing Authorities for everything which relates to engagements and forfeits for the animals presented for sale.

Each horse will be sold without his engagements unless they are listed in the catalogue or announced at the rostrum.



21 - Private Sales

A lot entered in the catalogue and advertised for sale by ARQANA shall not be sold by the owner without the written agreement of ARQANA. Where such agreement takes place, the Vendor will pay to ARQANA a commission of 7 % H.T. on the sale price, subject to a minimum of 2000 € in addition to the entry fee.

Where a horse entered for sale has been sold privately in the month following the sale, even if the sale is not carried out on premises of ARQANA :

a - when the private sale price is superior or equal to the hammer price, this sale will be regarded as a sale by public auction after the co-signature of the form to this effect between the purchaser and the vendor. ARQANA will deal with the invoicing and will receive payment from the purchaser, purchase and sales charges will then be invoiced, the guarantee of payment to the vendor will thus be applied.

b - where the private sale price is less than the hammer price, the vendor is obliged to pay ARQANA a penalty of 7% (seven per cent). Private sales which take place under these conditions will not be subject to the guaranteed payment to vendors.

22 - Jurisdiction

In the case of any disagreement with respect to auction sales organised by ARQANA Trot & transacted by ARQANA, such appeals will be heard by the Tribunaux de Lisieux

23 - Legal Address

ARQANA shall be entitled to ask a foreign Buyer to take up a legal residence in France at the address of his trainer or that of his broker in the mutual interest of the parties and, in particular, in order to speed up the exchange of all information and all documents among themselves.

In conformity with law n°78-17 of 6th january 1978 relating to computing, data files and freedom, Sellers and Purchasers have the right of access and of rectification of personal data regarding them, collected and processed y ARQANA & ARQANA Trot.

