

Terms and Conditions for KWPN Auctions

1 General

1.1 Definitions

In these terms and conditions, the concepts below are defined as follows:

Delivery Contract	the delivery contract completed and signed by the Buyer and the Seller which shows that the Buyer has obtained the Horse;
Auction Price	the price offered by the Bidder for a Horse at an Auction;
Terms and Conditions	the terms and conditions for the KWPN auctions, both the Online Auctions as well as the Physical Auctions;
Bidder	the person who registers or has registered as prescribed by the KWPN to participate in an Online Auction as well as the person who bids on a Horse(s) during a Physical Auction;
Consumer	the natural person who does not act for purposes relating to the exercise of a trade, business, craft or profession;
Participant	a participant in the Auction in the capacity of Bidder, Buyer or Seller;
Award	the express statement of the KWPN (on behalf of the Seller) to the Buyer that a bid from the Buyer has been accepted as the highest bid and that the Horse on which the Buyer has bid has been awarded to the Buyer. This statement is considered an acceptance on behalf of the Seller according to Article 6: 217 of the Dutch Civil Code. This statement includes the Purchase Agreement Statement;
Registration	the registration of the Seller with the KWPN in order to offer a Horse for Auction through the KWPN on behalf of the Seller;
Purchase Agreement	the purchase agreement which is created between the Seller and the Buyer as a result of the Award;
Purchase Price	the amount owed by the Buyer for the Horse offered for Auction, consisting of the Auction Price plus the Premium, in addition to the applicable VAT rate;

Buyer	the Bidder who is the recipient of the Award;
KWPN	both (i) the Royal Warmblood Studbook of the Netherlands, in the case that this association facilitates the Auction and the Auction Service; as well as (ii) the KWPN Select Sale foundation (KSS) in the case that this foundation facilitates the Auction and the Auction Service;
Horse	a foal, mare or stallion;
Personal Data	the personal data which a Participant must provide the KWPN upon registering as a Participant in order to take part as a Participant in an Online Auction and that which can be traced to his or her person;
Premium	an amount by which the Auction Price is increased and that is 8% of the Auction Price at Online Auctions and 10% of the Auction Price at Physical Auctions;
Select Sale	the Physical Auction for jumper- and dressage stallions in 's-Hertogenbosch, which is organized and facilitated by the KSS;
Buyback	a repurchase in the case that the Buyer is also the Seller of the Horse offered for Auction;
Auction	the auctions organized and facilitated by the KWPN for the sale of one or more Horses, including both the physical auctions organized and facilitated by the KWPN on location (Physical Auction) and the online auction organized and facilitated by the KWPN through the Auction Website (Online Auction);
Auction Service	mediation in the creation of a Purchase Agreement through the facilitation of an Auction;
Auction Website	the auction website with which the KWPN offers its Auction Service;
Purchase Agreement Statement	the purchase agreement statement the KWPN (on behalf of the Seller) sends or provides to the Bidder / Buyer and which the Bidder / Buyer completes and signs;

Seller

the natural person or legal entity which has commissioned the KWPN to sell one or more Horses by means of an Auction on behalf of and for the account of the Seller;

1.2 Applicability of the Terms and Conditions

- 1.2.1 These Terms and Conditions apply to the legal relationships between the KWPN and the Participant. The Participant is deemed to have accepted the applicability of these Terms and Conditions. The applicability of other terms and conditions is excluded.
- 1.2.2 All provisions in these Auction Terms and Conditions have also been created for the benefit of all persons who work for or have worked for and / or on behalf of the KWPN. These persons may directly invoke the provisions of these Terms and Conditions, as if they were the KWPN.

1.3 Auction

- 1.3.1 The KWPN will organize and facilitate the Auction and auction one or more Horses on behalf of the Seller, without being party to or becoming party to Purchase Agreements.
- 1.3.2 The KWPN will determine the dates and times that the Auction is held.
- 1.3.3 The Online Auction will close on a date and time stated in advance. The duration of the Online Auction will be posted on the Auction website. If a bid is placed in the last five minutes prior to the specified closing time, the closing time will be extended by two minutes per occurrence. The Online Auction will definitively close two minutes after the last bid.
- 1.3.4 The Physical Auction will take place under the supervision of a notary appointed by the KWPN.
- 1.3.5 The KWPN will determine the order and sequence of the Auction. The KWPN has the right to deny anyone access to and / or participation in and / or Registration for the Auction without stating reasons or to set further conditions thereto.
- 1.3.6 Horses offered in the Auction are auctioned / sold outright, without proceedings or recompense, in the condition in which they are found upon Award, without liability of the KWPN relative to the value, condition or quality of the auctioned Horses.
- 1.3.7 A Purchase Agreement will be created between the Buyer and the Seller as a result of an Award, in which case the KWPN will do the following: provide the Buyer with a written Purchase Agreement Statement for the Physical Auction at the time of the Auction; and for the Online Auction, send the Buyer a written Purchase Agreement Statement which the Buyer shall complete, sign and return to the KWPN within 7 calendar days of the day it was sent.
- 1.3.8 Horses offered for Auction will be sold through an open ascending price auction with a minimum opening bid announced at the Auction, unless the KWPN determines that the Auction, or a part thereof, will be conducted as an open descending price auction. The KWPN is entitled at any time during the Auction to change the way in which the Auction takes place. Both in the case of an open ascending price auction and in the case of an open descending price auction, the Seller is invited to make a bid. The KWPN is entitled to not recognize a bid, if in its opinion, there are reasonable grounds for doing so.
- 1.3.9 The Seller shall provide the Bidder the opportunity to view any horses offered for Auction prior to the Auction (i) at the first round viewing in Ermelo, (ii) or at the KWPN Stallion Show, (iii) or

by appointment with the Seller in the case of an Online Auction, or (iv) in the KWPN stables, starting at 10:00 hours on the day of the Auction in the case of a Physical Auction and only by request.

1.4 Obtainment/Delivery

- 1.4.1 The delivery of the purchased Horse takes place by obtaining the Horse from the Seller or the stable address provided by the Seller, unless otherwise agreed upon between the Seller and the Buyer.
- 1.4.2 The Buyer may obtain or have the Horse delivered only after paying the KWPN the Purchase Amount in full and any remaining monies owed. As long the KWPN has not received full payment from the Buyer or payment for any other Purchase Agreements, the Seller remains the owner of the Horse.
- 1.4.3 The Seller may deliver the purchased Horse to the Buyer only after obtaining written consent from the KWPN.
- 1.4.4 The Buyer must take possession of the Horse from the Seller within 14 calendar days after full payment to the KWPN. If the Buyer refuses or fails to comply with the aforementioned, the Buyer will be in default to the Seller and required to meet obligations including compensating the Seller for damages without prejudice to any other rights and pay all associated additional costs, including stabling costs, in which case the Seller will only release the Horse if and when the aforementioned costs have been paid in full.
- 1.4.5 The Seller must provide the horse's passport and registration papers to the Buyer upon the obtainment / delivery of the Horse.
- 1.4.6 The Buyer must observe the required caution and comply with instructions given by or on behalf of the Seller unconditionally and in full in the obtainment / delivery of the purchased Horse. The Buyer is liable for damages caused by or in connection with the obtainment / delivery of the purchased Horse and shall indemnify the KWPN and Seller against claims from third parties in this regard.
- 1.4.7 When the Buyer has received the purchased Horse from the Seller (the delivery), the Buyer shall assume the risk of the Horse.
- 1.4.8 Within 7 calendar days of obtainment / delivery of the Horse, the Seller and Buyer shall provide the KWPN written notice of such by submitting a Delivery Contract.
- 1.4.9 The KWPN holds the right of retention on the Horse until it has been both obtained / delivered and the KWPN has received full payment from the Buyer.

1.5 Transfer of Ownership

Ownership of the purchased Horse is transferred to the Buyer (if all conditions are met for a legally valid transfer) at the time of obtainment / delivery as referred to in Article 1.4 of these Terms and Conditions but not before the Buyer has paid the full Purchase Price and any other monies owed to the KWPN, which acts on behalf of the Seller, including those relating to work

performed or to be performed on behalf of the Buyer and / or due to failures in the fulfillment of the Purchase Agreement.

1.6 Consumer Buyer's Right of Withdrawal at an Online Auction

- 1.6.1 If the Buyer is a Consumer, the Buyer may dissolve a Purchase Agreement with regard to the purchase of a Horse through an Online Auction during a cooling-off period of a maximum of 14 calendar days, without stating reasons, based on the legal right of withdrawal of Article 6: 230o and the Civil Code. Article 1.6 only applies to the purchase of a Horse by a Consumer through an Online Auction. The Seller may ask the Buyer for the reason for withdrawal, but the Buyer is not required to provide a reason(s). The cooling-off period referred to in this article commences on the day after the Buyer, or a third party designated by the Buyer in advance, who is not the transporter of the horse, has received the purchased Horse.
- 1.6.2 If the Buyer utilizes the statutory right of withdrawal, the Buyer shall report this to the Seller and the KWPN unambiguously in writing within the cooling-off period. As soon as possible but within 14 calendar days from the day following the notification referred to in this article, the Buyer shall return the Horse or hand over the Horse to the Seller. This is not necessary if the Seller has offered to collect the Horse. The Buyer in any case will have observed the return period if he / she returns the Horse before the cooling-off period has expired.
- 1.6.3 The Buyer shall return the Horse with all accessories and in accordance with reasonable and clear instructions provided by the Seller.
- 1.6.4 The Buyer shall assume the risk and the burden of proof for the correct and timely exercise of the right of withdrawal.
- 1.6.5 The Buyer shall pay the costs related to the return.
- 1.6.6 During the cooling-off period and return of the Horse, the Buyer shall treat the Horse with care and, if provided, according to the instructions of the Seller.
- 1.6.7 If the Buyer utilizes the statutory right of withdrawal, all supplementary agreements will be dissolved by operation of law.
- 1.6.8 The Seller shall refund the Purchase Price (including any delivery costs) to the Buyer without delay but within 14 calendar days following the day on which the Buyer reports the withdrawal. Unless the Seller offers to collect the Horse, the Seller may postpone the refund until he or she has received the Horse.
- 1.6.9 The Seller shall use the same payment method for the refund that the Buyer used to purchase the Horse, unless the Buyer agrees to another method. The refund is free of charge for the Buyer.
- 1.6.10 If the Buyer opted for a more expensive method of delivery than the least expensive standard method of delivery, the Seller is not required to refund the additional costs for the more expensive method.

1.7 Information

- 1.7.1 The KWPN has taken great care in compiling the digital catalog. The information contained in the digital catalog is intended to give an impression of the quality of the Horses offered for Auction, without professing to be complete and without conferring any rights.
- 1.7.2 Horses offered for Auction are required to undergo a veterinary inspection as sporthorses. The resulting veterinary reports may be requested from the KWPN. The content of these reports is binding for KWPN and for the Participant.

1.8 Sales Tax

- 1.8.1 The KWPN is an entrepreneur for VAT purposes. Changes to the applicable VAT rate may lead to a corresponding adjustment of the applicable VAT percentages.
- 1.8.2 The VAT schedule under which each Horse is auctioned will be announced prior to the Auction.
- 1.8.3 In the event that the Buyer requests the transfer of an auctioned Horse(s) to another European Union member country, a zero VAT rate invoice will be issued which will require the Bidder / Buyer to fulfill all necessary conditions to complete a legal intra-community transaction.
- 1.8.4 If the zero VAT rate is subsequently not applicable for whatever reason, the Buyer will at that time owe an amount equal to the amount for a domestic transfer of the Horse in question. Upon request of the KWPN, the Buyer shall pay the KWPN the aforementioned amount immediately. In that case, the respective refund will only be issued if the Buyer has met the conditions in accordance with Article 1.8.3 to the satisfaction of the KWPN. In any case, the Buyer is liable for and shall indemnify the KWPN against all damages resulting from non-compliance with the conditions of Article 1.8.3. In addition, the Buyer is liable for all extra judicial costs incurred by the KWPN, with a minimum due of € 1,000, excluding any VAT.

1.9 KWPN Exclusions and Liability Limitations

- 1.9.1 The KWPN is not liable for damages as a result of incorrect and / or incomplete information, regardless of the nature and extent of the damages and the information and regardless of the source of the information. If the Seller is the source of the incorrect and / or incomplete information, the Seller shall indemnify the KWPN against all claims of a third party or third parties in this regard.
- 1.9.2 The KWPN is not liable for damages prior to, during and / or after the Auction caused by or to any person and / or to goods and / or by or to Horses.
- 1.9.3 The KWPN is not liable for damages, direct or indirect and regardless of their nature and scope, as the result of a failure to fulfill an obligation by a third party or third parties, including but not limited to the Buyer and / or Seller's failure to fulfill obligations and / or as a result of any actions and / or omissions of the Participant.

- 1.9.4 The Participant is liable for all damages caused by him / her and shall indemnify the KWPN against claims by a third party or third parties, including but not limited to other Participants associated with the damages, regardless of nature and scope.
- 1.9.5 The KWPN does not guarantee that the Seller can transfer ownership of the auctioned Horse free and unencumbered to the Buyer, and the KWPN is not liable for any related damages.
- 1.9.6 KWPN exclusions of liability do not apply to the KWPN in case of willful misconduct attributable to the KWPN or gross negligence by the KWPN.
- 1.9.7 Any liability of the KWPN is at all times limited to a maximum of € 10,000. Claims for compensation expire one year after the day on which the Participant or a third party became aware of the damage for which the KWPN is liable.
- 1.9.8 The KWPN does not purchase insurance for the benefit of the Seller and / or Buyer for the respective Horse. Because the Buyer and Seller participate in the Auction entirely at their own expense and risk, the KWPN recommends that they purchase their own insurance.

1.10 Privacy Statement

The KWPN uses Personal Data in accordance with the provisions of the Privacy Statement on its Auction Website. The Participant should view the latest changes to the Privacy Statement when visiting the Auction Website. Upon registration or application, the Participant consents to the inclusion of his / her Personal Data in the prospectus. The Participant gives the KWPN unconditional permission to use these Personal Data for the benefit of the prospectus.

1.11 Disputes and Applicable Law

- 1.11.1 The legal relationship between the KWPN and the Participant as well as the legal relationship between the Seller and Buyer are ruled exclusively by Dutch law, with full exclusion of the Vienna Sales Treaty (CISG).
- 1.11.2 If a dispute arises during the Auction about the course of business at the Auction, the KWPN is authorized to issue a binding judgment on the dispute and continue the Auction by bidding. If the KWPN requests a public notary to issue a judgment on the course of business during the Auction, the notary will make a binding and irrevocable judgment for all parties.
- 1.11.3 Disputes, other than those subject to the judgment of the KWPN or the notary, will be settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute (NAI) by appointing one arbitrator in accordance with the list procedure. The arbitration will take place in Utrecht. Arbitration proceedings are conducted in the Dutch language. If the Buyer is a Consumer, upon his / her written request, proceedings may be conducted in the District Court of the Central Netherlands, Utrecht location. If the Seller and / or the KWPN wishes to initiate proceedings and the Buyer is a Consumer, the Seller and / or the KWPN shall give the Buyer one month to submit a written decision for NAI arbitration or the District Court of the Central Netherlands, Utrecht location. In case of urgent interest (summary proceedings), the Buyer and / or the KWPN may shorten this period to 5 workdays.

1.12 Other Provisions

- 1.12.1 The KWPN reserves the right to unilaterally amend these Terms and Conditions. In the event of such amendments, the new Terms and Conditions will take effect beginning the next Auction.
- 1.12.2 If any provision in these Terms and Conditions is invalid, the validity of the remaining provisions will not be affected. In that case, the invalid provision will be replaced by a new provision whereby the purport of the void / annulled provision will be taken into account insofar as possible.
- 1.12.3 In the event of differences between the translation of these Terms and Conditions and the Dutch text of the Terms and Conditions, the Dutch text will prevail.

2. Additional Conditions for Bidders and / or Buyers

2.1 Bidding

- 2.1.1 To participate in an Online Auction as a Bidder, one must register in the manner prescribed by the KWPN and unconditionally agree to the conditions and procedures applicable to or stated by the KWPN.
- 2.1.2 The Bidder must follow the instructions and directions given in the scope of an Auction by or on behalf of the KWPN.
- 2.1.3 The KWPN reserves the right at any time to refuse and / or unilaterally terminate registration for an Auction and further participation of a Bidder at an Auction for any reason whatsoever.
- 2.1.4 To participate in the Online Auction, the Bidder must register digitally on the auction platform of the Auction Website. The Bidder will receive a strictly personal username and password to access the bidding system. The Bidder is responsible for all his / her activities at an Online Auction and those which result from the use of Bidder's username and password. Bids are placed digitally. For each Horse, the highest bid placed is displayed on the Auction site. Bid increments are € 250 per bid, unless otherwise indicated.
- 2.1.5 If a Bidder places a bid, the bid will count as an offer to the Seller in accordance with Article 6: 217 of the Dutch Civil Code. A Bidder is bound to a bid, which is considered irrevocable and unconditional. Every Bidder who places a bid is deemed to have bid for himself / herself and is personally bound to the KWPN and (after Award) to the Seller for the obligations arising from his / her bid to the KWPN and the Seller. The aforementioned also applies if the Bidder who is placing the bid declares to be acting on behalf of a third party.
- 2.1.6 A Bidder with the second highest bid must honor his / her bid for 14 calendar days after the close of the Auction, in case the highest bid is declared invalid or is not honored.
- 2.1.7 The Bidder shall bid at his / her own expense and risk, and is bound to his / her bid until a higher bid is accepted.
- 2.1.8 A Bidder shall accept the special circumstances which may arise in an Online Auction, including technical issues which may prevent the timely placement of a bid.
- 2.1.9 When placing a bid in an Online Auction, the Bidder may not appeal bidding- or data entry errors or mistakes.

2.2 Payment Obligations of the Buyer

- 2.2.1 The Buyer will owe a Purchase Price through the conclusion of the Purchase Agreement.
- 2.2.2 After a Purchase Agreement is concluded, the Buyer shall pay the Purchase Price in Euros to the KWPN within 7 calendar days by bank transfer to the KWPN's account number, without any discount or settlement.
- 2.2.3 If the Purchase Price is not paid on time, the Buyer will be in default and the KWPN has the right to immediately sell the Horse privately, whereby the offer of the original Buyer is no longer valid. The Buyer is never entitled to excess proceeds from a private sale and remains obligated to pay the marginal loss to the KWPN. The KWPN also has the authority, without notice of default on behalf of the Seller and without the Seller's permission, to consider the Purchase Agreement dissolved without the Buyer being entitled to compensation for damages. In addition, the Buyer shall owe the KWPN administration costs equal to 6% of the Auction Price, and the Bidder / Buyer shall pay all extra judicial costs associated with collection of the KWPN's claim against the Buyer, with a minimum due of € 1,000, excluding any VAT owed to the KWPN. The Buyer is not entitled to a settlement.
- 2.2.4 If the Seller or Buyer terminates the Purchase Agreement or otherwise violates it, the Buyer shall still owe the KWPN the Premium without prejudice to any other right of the KWPN in that case. The foregoing does not apply in the event that the Consumer Buyer avails of his / her right of withdrawal as stipulated in Article 1.6 of these Terms and Conditions.

3 **Additional Terms and Conditions for Sellers**

3.1 General

- 3.1.1 The legal relationship between the KWPN and Seller is a contract agreement. The Seller shall provide a Horse for Auction by means of Registration.
- 3.1.2 The Seller is responsible for checking the accuracy of the information in the digital catalog with respect to the Horse that he / she has registered, as stipulated in Article 1.7 (Information) in these Terms and Conditions. The Seller shall notify the KWPN in writing, at least 7 calendar days before the Auction, of any inaccuracies in the catalog and explain in detail the changes or additions to be made.
- 3.1.3 The Terms and Conditions which the KWPN places on Horses, Registration and Sellers in the scope of the Auction are implemented solely in the interest of facilitating a good auction.

3.2 Guarantees and Indemnities

- 3.2.1 The Seller shall guarantee that full ownership of the Horse can be transferred to the Buyer free and unencumbered. The Seller shall indemnify the KWPN against claims by the Buyer and / or a third party or third parties related to the breach of this guarantee by the Seller.
- 3.2.2 The Seller shall guarantee that the Horse is free of banned substances, as per the most recent list of the Federation Equestre Internationale (FEI) and posted on the website of the FEI (www.FEI.org/), during the selection process and the Auction. The KWPN has the right

to collect blood or urine samples for testing for banned substances during the selection process and prior to the Auction.

- 3.2.3 The Seller shall guarantee the accuracy and completeness of the test results as described above in Article 3.2.2. The Seller shall indemnify the KWPN against any claim during or after the Auction, irrespective of the scope and nature of the claim and the claimant, regarding a Horse purchased which was not in compliance with Article 3.2.2.
- 3.2.4 The Seller shall indemnify the KWPN against claims by the Buyer and / or a third party or third parties related to the breach of these guarantees by the Seller.

3.3 Registration and Selection

- 3.3.1 The Seller shall register for an Auction by completing, signing and sending the completed Registration Form to the KWPN.
- 3.3.2 By Registering for the Auction, the Seller commissions the KWPN to bring a Horse to auction and sell it on his / her behalf for the highest bid and to confer an Award, provided that the Horse is selected by the KWPN and admitted to the Auction.
- 3.3.3 Only Horses selected by the KWPN may participate in the Auction.
- 3.3.4 The KWPN determines the criteria which Horses selected for the Auction must meet.
- 3.3.5 The KWPN has the right at all times to refuse a Horse without stating reasons, even if the Horse had previously been selected for the Auction. The KWPN is never required to compensate the Seller for any costs incurred, on any grounds whatsoever, in connection with Registration and / or selection.
- 3.3.6 The KWPN selection is held in Ermelo at the first round viewing on a day and time to be determined and communicated by the KWPN.
- 3.3.7 Horses admitted to the Auction must meet the following criteria:
 - a. they must have participated in the first round viewing in Ermelo;
 - b. be free of observable faults, including but not limited to stable vices; and
 - c. have been deemed acceptable by a recognized inspection veterinarian during a sport inspection, from which the Seller shall submit a veterinary report to the KWPN.
- 3.3.8 Within 90 calendar days prior to the Auction, the Seller shall submit to the KWPN the aforementioned veterinary report containing the results of the veterinary inspection (including, but not limited to, clinical and radiological findings) which the Horse presented for Auction has undergone as a sporthorse. This inspection must be performed by a recognized inspection veterinarian at the direction, expense and risk of the Seller.
- 3.3.9 If a registered Horse is not selected for the Auction, the Seller is obligated, among other things, to immediately take back the Horse. The Seller must pay all associated costs in such case. The Seller then remains liable for all payment obligations to the KWPN.
- 3.3.10 If banned substances have been administered to the Horse, the Seller, among other things, shall immediately take back the Horse. The Seller shall pay all associated costs in such case. The Seller shall remain liable to the KWPN to meet all the payment obligations stated in these Terms and Conditions, insofar as they concern compensation to the KWPN.

3.4 Fees and Payment Obligations of the Seller

- 3.4.1 Upon Registration, the Seller shall owe the KWPN a registration fee. The amount of the registration fee payable by the Seller to the KWPN per Horse, to be increased by a percentage of the Auction Price, will be announced for each Auction at Registration by means of a price list for that Registration. Upon sale of the Horse, the registration fee shall be settled with the proceeds from the Auction. In the case of a Buyback, the Seller will be invoiced for the registration fee.
- 3.4.2 The Seller must pay the KWPN this registration fee without any discount, settlement or deduction within 14 calendar days:
- i) after the day on which the Purchase Agreement was concluded (with Sale); or
 - ii) after the day that the Seller must repurchase the Horse in the absence of a bid (with Buyback).
- 3.4.3 Within 7 calendar days after receiving the Delivery Contract from the Buyer and / or the Seller, the KWPN will pay the Seller the amount due to him or her, consisting of the Auction Price minus the amount the Seller owes to the KWPN under these Terms and Conditions or otherwise.
- 3.4.4 If the KWPN has received the Delivery Contract but the Buyer and / or Seller has not yet complied with all payment obligations to the KWPN, the KWPN will pay the amount it owes the Seller within 30 calendar days after the last payment obligation has been met. The Seller is not entitled to a settlement.

3.5 Buyback

- 3.5.1 A Horse put up for Auction will always be sold, unless there is no bid for it. If no bid is placed, the Seller must buy back the Horse for the opening bid. In that case, the opening bid will be considered the Auction Price.
- 3.5.2 A Seller who buys back a Horse offered by the Auction is also considered a Buyer, with the exception of Article 1.6 of these Terms and Conditions.
- 3.5.3 No Premium is due at Buyback.

3.6 Non-Participation in the Auction by Registered Horses

- 3.6.1 If a Registered Horse does not participate in the Auction, the Seller, without demanding notice of default, will immediately be fined a penalty of € 1,000. In the case of the Select Sale, the penalty is € 5,000.
- 3.6.2 If a Registered Horse, in the Seller's opinion, cannot participate in the Auction due to health reasons, the Seller must immediately notify the KWPN in writing with a detailed description of the ailment, after which the KWPN will have the nature of the ailment evaluated and determine if the Horse can participate in the Auction.
- 3.6.3 If the Seller provides the KWPN no opportunity or insufficient opportunity to examine the Horse in a timely manner, or if the Horse has been approved by the KWPN or a KWPN-

approved veterinarian for participation in the Auction and nevertheless does not participate in the Auction, the Seller shall owe the KWPN the aforementioned fine of € 1,000. If a Horse, whether or not approved, does not participate in the Auction, the Seller shall pay the associated veterinary costs incurred by the KWPN, with a minimum amount due of € 1,000, excluding any VAT.

4 Additional Terms and Conditions for Sellers in the Select Sale

4.1 Guarantees

4.1.1 In addition to Article 3.2 (Guarantees and Indemnities), the Seller shall provide the following guarantees in the case of the Select Sale:

- a. a guarantee of semen quality and fertility of his / her Horse(s) designated for the KWPN performance test (selected Horse) for a period of six months after the Auction. Semen quality is assessed based on the average of two ejaculates, with an interval of approximately one hour. The semen must contain at least 30% living sperm and 30% normally built cells. In the event of a disagreement between the Buyer and Seller regarding the aforementioned, semen quality and fertility will be evaluated by the Faculty of Veterinary Medicine at the University of Utrecht. The evaluation must be conducted within 14 calendar days after the sale at the Seller's expense. This requirement only applies to Horses selected for the performance test. The Buyer may have the evaluation conducted voluntarily at the Buyer's expense;
- b. a guarantee of a normal and properly functioning respiratory system and no evidence of laryngeal hemiplegia. The Horse must also make normal breathing sounds at rest and during work for 1 month after the Auction. The evaluation of the Horse's respiratory system conducted by the Faculty of Veterinary Medicine in Utrecht is binding; and
- c. a guarantee that the Horse is free of stable vices (cribbing, weaving and / or wind-sucking). The Buyer must notify the KWPN in writing of any stable vices within 7 calendar days of actual delivery and provide a detailed description of the nature of the stable vices. The KWPN will then appoint a veterinarian to examine the horse. If, in the opinion of that veterinarian, the Horse possesses the stable vices identified by the Buyer, the Seller must pay the associated costs incurred. The Buyer shall pay for costs incurred if the veterinarian deems the Horse free of stable vices.

4.2 Registration

4.2.1 In addition to Article 3.3 (Registration and Selection), the following conditions apply to Registration and selection in the case of the Select Sale:

- a. from the time of Registration, the Seller shall be responsible for the care and supervision of the Horse;
- b. Horses which have been selected by the KWPN stallion selection committee for the second round viewing and deemed acceptable by a recognized veterinarian and the

- KSS veterinary committee at a sport inspection, from which the Seller has submitted a veterinary report (+ ancillary findings) to the KWPN, are eligible for the Auction;
- c. Horses which the KWPN stallion selection committee has selected for the KWPN performance test must pass the KWPN performance test after the Auction. The applicable regulations are available on the KWPN's website and will be provided upon written request;
 - d. dressage Horses must also be shown on the longe line at a time to be determined. A selection committee appointed by the KWPN will evaluate and select the dressage Horses which qualify for the Select Sale. A decision by the selection committee on this matter is binding;
 - e. the selection committee is authorized to select several wildcards at the KWPN Stallion Show. To qualify for a wildcard, the Horse in question must meet all stipulated veterinary requirements as described in these Terms and Conditions;
 - f. in addition to Article 3.3.8 and in the case of dressage Horses in the Select Sale, radiographs of the neck and back will also be evaluated for purposes of the veterinary report and shall be submitted by the Seller;
 - g. the Horse will be clinically evaluated again by the KSS veterinary committee on the day of the Auction and must be deemed acceptable;
 - h. the Horse is required to be genotyped (DNA analysis) in accordance with KWPN regulations and receive a genomic breeding value for osteochondrosis, unless the Horse is insufficiently related to the KWPN reference population;
 - i. the Horse is required to undergo testing and must be deemed acceptable with respect to a normally functioning respiratory system. The horse must also show no evidence of laryngeal hemiplegia and produce a normal sound while breathing at rest and during work. The respiratory system is assessed on a binding basis by the KWPN evaluation committee for laryngeal hemiplegia; and
 - j. the Horse is required to be tested for Warmblood Fragile Foal Syndrome (WFFS).