

CONDITIONS OF AUCTION

NEUMEISTER Münchener Kunstauktionshaus GmbH & Co. KG

NEUMEISTER

1. NEUMEISTER Münchener Kunstauktionshaus GmbH & Co. KG (hereinafter "Auctioneer"), as commissioner, will hold a public action of goods on its own behalf and for the accounts of the consignors (hereinafter "Principals"), who shall remain unnamed. The auction is voluntary.

2. The prices listed in the catalogue are estimated prices and not minimum reserve prices.

3. All bidders buy on their own behalf and own account unless they furnish proof of proxy before bidding. Written or telephone bids must be submitted 24 hours before the auction at the latest, stating the item of interest, the lot number and the price offered, the latter deemed to be the amount of the bid excluding the buyer's premium and VAT. Inaccuracies or ambiguities will be decided at the expense of the bidder. The lot number is decisive in case of doubt. In the case of telephone votes, no guarantee of the availability of a telephone connection can be given. For telephone bidders, the minimum bid is equal to the estimated price. Given the legal uncertainties associated with e-mails, no liability can be accepted for our consideration of e-mail bids.

4. The Auctioneer reserves the right to combine or separate lot numbers, to call up lots out of the order shown in the catalogue, or to withdraw them. A bid may be called at half the estimated price unless higher written or telephone bids have already been submitted. Bidding increments are at the discretion of the auctioneer and are generally 10%.

5. The auctioneer may impose conditions on the knockdown or decline it for specific reasons. If several bidders place the same bid and no higher bid is placed after three calls, the lot decides the knockdown. If the auctioneer has overlooked a higher bid made at the right time and that bidder made an immediate complaint, or if there are doubts regarding the knockdown, the auctioneer is authorised up to the end of the auction to repeat an already made knockdown in favour of a specific bidder or to auction the item again. In this case the previous knockdown is invalid. If no knockdown is made despite a bid being placed, the liability of the auctioneer towards the bidder is restricted to cases of intent or gross negligence.

6. The work is knocked down to the winning bidder when no higher bid has been placed after calling a bid three times. The auctioneer may knock down the work at a conditional hammer price, particularly if the reserve specified by the consignor has not been reached. In this case the bidder is bound to his/her bid for a period of three weeks. If the bid is not accepted unconditionally within this period it expires. If the bid is not accepted or if another bidder bids the reserve price, the item may be given to a higher bidder without consulting the bidder of the conditional bid. The bidder of the conditional bid is responsible for verifying the acceptance of his/her bid. A written notification sent to the address provided by the bidder is sufficient for the knockdown to become effective.

7. Upon knockdown, the object must be accepted and payment made. The risk of any damage, loss or confusion related to the item auctioned is transferred to the buyer upon knockdown; the buyer is responsible for any related costs or expenses. The risk of the export licence or its issuing lies with the buyer.

8. Depending on the specifications made by the consignor, the sale is subject to differential taxation or standard taxation. This must be stated before the auction. Under differential taxation, a buyer's premium of 27% plus droit de suite (right of resale fee) where applicable are charged on the knockdown price; these extra charges include VAT, which is not shown separately in the invoice. Standard taxation may be applied where the buyer is an entrepreneur entitled to deduct input tax on art and antiquities. Under standard taxation, the purchase price comprises the knockdown price plus a 22% surcharge; this amount forms the basis for the calculation of statutory VAT and droit de suite where applicable. This calculation is standardised under Art. 26 German Copyright Act (UrhG). If the purchased items are exported by the buyer to an address in a third country (outside the EU), the VAT paid will be reimbursed when the buyer submits the export document to the auctioneer. The purchase price is due upon knockdown. Invoices issued during or immediately after the auction must be verified; errors excepted.

9. Payment must be made to the auctioneer in cash in EUR (€). All types of cashless payment may only be accepted after special agreement as conditional payment. The auctioneer accepts no liability for the timely presentation, protest, notification or return of cheques or bills that have not been honoured. Where the auctioneer agrees to cashless payment, all costs, taxes and fees related to the payment (including bank charges charged to the auctioneer) will be borne by the

purchaser. The auctioneer is not obliged to hand over the item purchased before payment of the full amount owed by the buyer has been completed (in the case of cashless payments, only after unconditional confirmation of the bank credit). Ownership remains conditional until full payment of all charges and sums owed to the auctioneer by the buyer has been made.

The buyer may only offset claims against the auctioneer where such claims are undisputed or res judicata. Any rights of retention for the buyer which arise from a different contractual relationship are excluded.

10. In the case of default, interest at 1% per calendar month or part thereof will be charged. The auctioneer may, at its own discretion, choose to fulfil the purchase agreement or, after fruitless expiry of an appropriate period

of grace, demand compensation for non-fulfilment. In this case compensation may be arranged in the form of a repeat auction of the item, in which the defaulting buyer is responsible for any loss made by the renewed sale of the item and for all costs of the repeat auction including the buyer's premium. In this case the buyer is not permitted to submit a new bid and has no claim to any surplus proceeds made on the renewed sale of the item.

11. The buyer undertakes to collect his/her purchase immediately after the auction. If the buyer delays in complying with this obligation and fails to collect the purchase despite receiving a reminder, the auctioneer may demand compensation for the delay by re-auctioning the item and calculating the amount of compensation as described above for default on payment. From the point of knockdown, the auctioned item is stored with the auctioneer on the account and at the risk of the buyer. The auctioneer is entitled but not obliged to take out insurance for the item at the expense of the buyer or take other measures to secure the value of the item. The auctioneer may store uncollected purchases with a third party on behalf and on the account of the buyer at any time. Where the item is stored by the auctioneer, the auctioneer may demand payment of a standard storage fee (plus processing costs). Shipping is only undertaken at the request of, and according to instructions by, the buyer and at the buyer's expense and risk.

12. All items to be sold at auction can be viewed and inspected prior to the sale. The items are used and are sold "as is", without any liability for material defects on the part of the auctioneer and under the exclusion of any warranty. The information in the catalogue was compiled to the best of the publisher's knowledge and does not constitute a warranty in any legal sense (Sections 434 ff. German Civil Code (BGB)). It is intended for information purposes only and is not a constituent element of any contractually agreed quality or characteristic features. The same applies to information of all kinds (description of condition), whether verbal or in writing. Likewise, as the condition of the items is not mentioned in detail in the catalogue, failure to provide information does not constitute an agreement concerning quality or characteristic features. All items will be sold in the same condition as they were at knockdown.

13. However, in cases of deviations from catalogue descriptions where these deviations nullify or not insignificantly reduce the value or fitness for purpose of the items and which are reported within a period of one year from the date of knockdown, the auctioneer undertakes to exercise his/her rights against the consignor, with legal recourse if necessary. In the case of a successful claim against the consignor, the auctioneer will refund the buyer's purchase price only, excluding any other costs and expenses incurred by the buyer. Liability for defects on the part of the auctioneer is excluded.

14. Claims for compensation on the grounds of defects, loss or damage of the object sold, irrespective of the legal basis of said claims, or claims incurred because of deviations from catalogue information or from information from other sources, are excluded unless the auctioneer, its legal representatives, employees, assistants or vicarious agents have acted with intent or gross negligence or have breached material obligations. Liability for damages resulting from injury to life, limb or health remains unaffected; otherwise Section 12 applies.

15. The place of jurisdiction and fulfilment, where its agreement is possible, is Munich. German law applies. The UN Convention on the International Sale of Goods of 11 April 1980 (CISG; German Federal Statutory Gazette (BGBl.) 89 II) shall not apply. If one of these provisions is or becomes invalid in whole or in part, the validity of the remaining provisions shall remain unaffected. The invalid provision shall be replaced by a valid provision that most nearly approaches the commercial content and purpose of the invalid provision.

16. These Conditions of Auction apply likewise to any subsequent private sale of items by the auctioneer to a buyer.

17. Catalogue items marked with an asterisk * will be subject to a 22% buyer's premium on the knockdown price; this net invoice price (knockdown price and buyer's premium) is subject to statutory VAT (standard taxation). Invoices issued during or immediately after the auction must be inspected; errors excepted.