

AUCTION TERMS & CONDITIONS

1. Definitions and terms

1.1. Auction House: the BÁV Aukciósház és Záloghitel Zártkörűen Működő Részvénytársaság (BÁV Auction House and Pawnshop Private Company Limited by Shares, 1027 Budapest, Csalogány u. 23–33.), as a legal person dealing with organising auctions as its commercial activity.

1.2. Auction Buyer: is a person or organisation that intends to make or makes bids for a lot in person, through his/her representative with a registered bidding paddle or as an absentee auction buyer pursuant to Section 8 of the present document, the Auction Terms & Conditions.

1.3. Buyer: is the Auction Buyer with whom the sales contract is concluded.

1.4. Hammer Price: The price developed with acceptance of the Auction Buyer's bidding offer at the highest bid for the given lot and verifying the acceptance by the fall of the hammer, which is not equal to the Purchase Price specified in the Auction Terms & Conditions.

1.5. Purchase Price: is the Hammer Price increased by the amounts specified in point 6 of the Auction Terms & Conditions.

2. Lots

2.1. Lot (an auction item) is the article or group of articles that was found suitable for bidding by the Auction House and that can be bid for independently. The Auction House issues an Auction Catalogue (Catalogue) of the lots and the lots can be inspected at the exhibition held before the auction. The Catalogue may also be purchased independently, however, its purchasing in itself will not result in any right or obligation for the buyer of the Catalogue to take part in the auction or to make bids. The descriptions and the illustrations in the Catalogue are for the identification of the lots only. The description of lots in the Catalogue is based on the subjective opinion of experts. In the case of the lots the Catalogue raises attention to the faults and deficiencies that may considerably reduce the value of the given lot.

2.2. The Auction House reserves the right to postpone the auction, to withdraw from bidding particular lots included in the Catalogue, and to modify the put-up price and descriptions included in the Catalogue, as well as to change the sequence of bidding for the lots. In such cases no compensation for damages, and no other claims and demands can be asserted.

3. Conditions of participation in the auction

3.1 Participation in the auction in person is only possible with bidding paddle registered by name and address. The bidding paddle may be handed over to the person whose name, address and (in case of consent of the person) phone number and/or e-mail address have been registered. Taking over of the bidding paddle is to be considered as an implicit conduct with respect to that the Auction Buyer has been familiarised with the Auction Terms & Conditions and the Privacy Notice and has accepted them as binding upon him-/herself.

4. Process of the auction

4.1. The process of the auction is managed by the auctioneer on behalf of the Auction House. In the course of the auction the auctioneer has the right to make decisions considering all issues and against such decisions no objection or appeal lies within the framework of the auction. The auctioneer shall be responsible for keeping the auction in order and may take all necessary actions and give instructions in the interest of keeping or restoring the order of the auction. The auctioneer may prohibit that the person disturbing the order of the auction remains to be present at the auction.

4.2. The auctioneer briefly introduces the lots to be auctioned (in succession in the Catalogue as a general rule) and announces the put-up price while the Auction Buyers place their bids through showing the full numbered side of their bidding

paddle towards the auctioneer. In doubt the auctioneer may ask to verify in words the reason of the move of the paddle. If more than one bid is placed at the put-up price, the auctioneer shall increase the price according to the bidding steps until only one bidder remains, and the highest bid price with respect to the Hammer Price is accepted.

4.3. The first bid price shall be the same as the put-up price of the lot to be auctioned. The additional bid prices may develop according to the bidding steps detailed below:

Last bid price (in HUF)	Amount of increase (in HUF)	
from 1 000	to 20 000	1 000
from 20 000	to 50 000	2 000
from 50 000	to 100 000	5 000
from 100 000	to 200 000	10 000
from 200 000	to 500 000	20 000
from 500 000	to 1 000 000	50 000
from 1 000 000	to 2 000 000	100 000
from 2 000 000	to 5 000 000	200 000
from 5 000 000	to 10 000 000	500 000
from 10 000 000	to 20 000 000	1 000 000
from 20 000 000	to 50 000 000	2 000 000
from 50 000 000	to 100 000 000	5 000 000
above 100 000 000	to 200 000 000	10 000 000

4.4. If the person of the Buyer is doubtful or cannot be established for any reason in the course or after the auction, the bidding for the lot to be auctioned can be restarted.

4.5. The lot already sold at the auction cannot be returned by the Buyer and re-auctioned at the same auction. At the end of the auction the Auction Buyers may ask to re-auction the lots not sold. If in the course of or after the auction the Buyer of a lot cannot be found and he/she does not present him-/herself, the lot can be re-auctioned, and in such a case the Auction House is entitled to claim the price difference from the original buyer.

4.6. All behaviours having fraudulent impact on the auction, bidding or Hammer Price or which aim at circumvention of the Auction Terms & Conditions are prohibited. The auctioneer may restrain the Auction Buyers from the auction who behave in a prohibited way. If the Auction Buyer hands over the bidding paddle to another attendee in the course of the auction, and such attendee makes a winning offer or offers, the Auction House may refuse contracting with such a winning bidder and may enforce all its damages and costs against the person who illegally handed over the bidding paddle.

4.7. Such an Auction Buyer, who made the highest bid (hammered) at the previous occasion, but failed the deadline for paying the deposit or the Purchase price and/or violated his/her other obligations set forth in the Auction Terms & Conditions, may be detained from taking part in auction(s) in the future, or his/her participation in the auction as a bidder may be bound to presenting a preliminary financial guarantee. The same provision relates to the representative of the Auction Buyer and the Auction Buyer represented by him/her; and in such a case the Auction House is not obliged to examine whether the representative or the represented person failed.

4.8. The auction bids and the Purchase Price are given in Hungarian Forints, however, for information purposes, the put-up price is also announced in euros in the Auction Catalogue by the Auction House. It is also possible to pay the full purchase price in euros at the actual exchange rate valid on the day of the Auction (published *in situ*).

5. Conclusion of the sales contract

5.1. The sales contract — along with the codicils according to points 5.2 and 5.3 — will be concluded between the Auction Buyer who placed the highest bid and the Auction House at the time of the fall of the hammer, which fact is confirmed by

the parties through filling out the „auction warrant”. The Buyer obtains the ownership of the lot to be auctioned when he/she has paid the Purchase Price and taken over the lot from the Auction House.

5.2. Pursuant to Section 86. § (1) of the Act LXIV of 2001 on protection of the cultural heritage the ownership title of cultural goods qualified as „protected” (lots in the Catalogue with marking „protected”) can be transferred by a written contract only. The written contract shall be concluded within 15 days after the auction.

5.3. Any changes in the data concerning cultural goods qualified as protected – and included in the decision on protection (owner’s name and address; place, where the protected lot is kept) – shall be submitted by the owner without delay but at the latest within 8 days counted from the data of such information became known by the owner to Miniszterelnökség Műtárgyfelügyeleti Hatósági Főosztály (Prime Minister’s Office - Inspectorate of Cultural Goods – “Inspectorate”). In case of a commercial transfer of title – especially at an auction – of cultural goods qualified as protected the Auction House also has a reporting obligation.

5.4. Pursuant to Section 86. § (1) of the Act LXIV of 2001 on protection of the cultural heritage, the Hungarian State shall have a right of pre-emption regarding the elements of the protected cultural goods. The representative of the Inspectorate shall make a statement on the pre-emption, if he/she wants to exercise this right – the better that it is immediately after the fall of the hammer, but it is also ahead of schedule, if the mentioned representative informs the Auction House before the end of the given Auction.

6. Purchase Price

6.1. The Purchase Price is the aggregate amount of the Hammer Price and the auction commission, as well as any other tax or contribution required by the law.

6.2. At his/her choice, the Buyer may pay the Purchase Price or at least 20% thereof as a deposit either in cash or by bank card immediately to the Auction House, provided that no cash payment is accepted by the Auction House over HUF 2,999,000 per transaction (lot) regarding lots that **not qualify as made of precious metals** (gold, silver, etc.) or cultural goods. The Auction House may waive the claim of the deposit. Buyer shall pay the part of the Purchase Price in excess of the deposit within 3 working days counted from the date of auction. If payment is made by the due date, the deposit shall be included in the Purchase Price. If the Buyer refuses to sign the „auction warrant” or refuses to pay the deposit or does not pay the Purchase Price by the due date, the Auction House shall have the right to desist from the sale. In the case of desisting the Buyer shall not be entitled to recover the deposit. If the Auction House does not desist from the sale, it is entitled to claim the default interest due pursuant to the Civil Code (Ptk.).

6.3. If the auction is successful, the Auction House shall be entitled to receive an auction commission fee in the amount of 20% of the Hammer Price; while in case of successful auction via online channel by an Absentee Auction Buyer according to Section 9. the commission fee is 25 % of the Hammer Price.

6.4. In the cases set forth in particular rules of law, the Buyer may also have other payment obligations simultaneously with payment of the Purchase Price. In this respect the legal regulation effective at the time of conclusion of the sales contract shall govern.

7. Taking over of the lot

7.1. If Buyer has paid the Purchase Price in full, he/she can take over the lot at the place of the auction in some cases, or – starting from the day after the Auction – in the dedicated sales point of the Auction House.

7.2. After the payment of the Purchase Price, the Buyer shall provide for the shipment of the purchased lot within 3 working days counted from the date of auction at his/her own costs and risk. The Auction House is not obliged to ensure safety packaging for the piece of art and it carries out special wrapping at the Buyer’s request and costs. If the Buyer fails to meet his/her shipment obligation, the Auction House shall not be responsible for the damage or loss of the piece of art and the

Auction House shall be entitled to charge the Buyer with a storage fee that amounts to 0.2% per day of the Purchase Price as from the third working day after the date of auction. The storage fee shall be due simultaneously with entering into possession.

7.3. Should Buyer fail to carry away the object, despite a summons to do so, the Auction House may, after expiry of a 6 months period, desist from the contract — with keeping the deposit — and may lay a claim for damages (among others the auction commission fee and the costs incurred). The Auction House manages the part of the sum above the deposit paid by the Buyer and the damages as an interest-free deposit to the benefit of the Buyer until the expiry date of the period of prescription and the Auction House pays it at the Buyer's written request.

8. Regulations of anti-money laundering

8.1. According to the regulations of the Act LIII of 2017 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing ("Pmt."), when **the price of lots that qualify as made of precious metals or cultural goods**, the Auction House has the following obligations:

8.2. In case of payment of lots qualifying as made of precious metals if the sum (including the VAT and the commission) to be paid reaches HUF 300,000, but does not reach HUF 4,500,000, the Auction House shall record some personal data (prescribed by Pmt.) of the Buyer.

8.3. In case of payment of lots qualifying as made of precious metals or cultural goods if the sum to be paid reaches HUF 4,500,000 (whether by only one transaction/lot, or by consolidating the Buyer's transactions mentioned in Section 8.2 within one calendar year), the Auction House shall take customer due diligence measures according to Pmt., which means filling forms and copy documents among others.

8.4. If the customer refuses to fulfil the above obligations, the transaction is not allowed to be completed, the sales contract fails, and the given lot can be re-auctioned.

9. Absentee Auction Buyers

9.1. A method of bidding for those who cannot or do not wish to attend an auction is leaving a commission bid. Commission bid may be placed by filling out and submitting an Absentee Bid Agreement Form before 12 a.m. on the day of the auction. On the basis of the Commission Bid Agreement, the Auction House shall represent the Absentee Auction Buyer (the Client) The Absentee Auction Buyer shall make an advance payment specified in the Commission Bid Agreement. The Auction House may waive the demand of the advance payment.

9.2. If the commission bid is successful (with respect to the lot the sales contract shall be concluded with the Absentee Auction Buyer as a Buyer), the amount of the advance payment, but not more than 20% of the Purchase Price shall be considered as a deposit and in case of execution of the sales contract it shall be included in the purchase price. With respect to any other matters (deadline for payment of the purchase price, handing over the lot, etc.), the rules relating to the Buyer being present at the auction shall be applied, with the proviso, that the possible written contract (Section 5.2) shall be concluded within 3 working days simultaneously with payment of the Purchase Price at the latest.

9.3. If for the same lot a commission bid of a higher amount is given by a third party or the an Auction Buyer being present makes a higher bid, the Absentee Auction Buyer shall recover the full amount of his/her advance payment without any deduction after the auction.

9.4. In case equal amount of commission bids are placed on a lot, the Auction House shall represent the Absentee Auction Buyer whos commission has been received first.

9.5. The Auction House also allows bidding by telephone, via online channel and placing commission bid on an online platform. Clients may apply for bidding by telephone until 12 a.m. on the day of the auction. A precondition of acceptance

of the application to the auction is submitting the Absentee Bid Agreement Form to the Auction House. Otherwise regarding bidding by telephone provisions of Sections 9.1. and 9.2 shall be taken into account.

9.5. The Auction House does not undertake any liability concerning the implementation of the commission bid and/or the bidding by telephone.

10. Liability

10.1. The Hammer Price is evolved from the open purchase bids of the Auction Buyers, and for this reason, the Auction House shall not be held liable for the Hammer Price of a given lot. The Auction House does not undertake any liability for that it will put the same lot for auction at the same price later.

10.2. The Auction Buyer shall inspect the condition of the lot before the auction, and make sure it corresponds to those included in the Catalogue. Considering this as well as the specific characteristics of the lots to be sold (second hand items, the age of the lots, etc.), the Auction House does not undertake any liability for any defects and/or deficiencies of the lots; Auction Buyers may not present product claims for warranty against the Auction House following the auction for any defects of the lots.

10.3. The Auction House shall be liable for the authenticity of the pieces of arts sold at the auction. In case of any first substantiated doubt learnt by the Buyer with respect to a bought piece of art, the Buyer must contact the Auction House in writing within 30 days, but at the latest within a term of preclusion of 3 years counted from the day of the auction – with respect also to that the Buyer can claim that an authenticity test be performed or cause to be performed – with indicating the date of the auction and the Catalogue number of the lot or other particulars suitable for identification, as well as the reasons based on which the Buyer contests the authenticity of the piece of art.

If an expert recognized in the particular field and accepted both by the Auction House and by Buyer declares in his/her written statement that the piece of art is not authentic, the Auction House undertakes to pay back to Buyer the purchase price of the piece of art, against a non-encumbered return of the ownership title of the piece of art and the Buyer ensures the possession of the piece of art without laying any claim. Should there be any damage, etc. on the piece of art, the Auction House shall be entitled to set it off against the purchase price to be reimbursed. If a third party lays a claim against the piece of art and/or against the owner of the piece of art with respect to the latter for whatever reason, the Auction House shall be entitled to suspend the procedure associated with restoring the original condition.

Buyer shall pay in advance and bear the justified costs of the expertise procedures associated with the authenticity and/or extent of damage and loss of value suffered by the piece of art unless the expert, in his/her expertise, qualifies the lot as a forgery. If the Buyer intends to make use of the services of a foreign expert (institute) in the case of a piece of art of foreign origin, the parties make a decision on the person of such an expert jointly. The Buyer shall pay in advance the anticipated costs of the test to be performed abroad and/or by the foreign expert in Hungary. If it is found that the piece of art is authentic, the Buyer shall bear the costs. The same provisions apply with respect to paying in advance and bearing the costs of certification of foreign documents (expert opinion) in Hungary. The Auction House informs the Buyer of the anticipated costs with-out any guarantee. The costs shall be paid in advance and borne in the currency of the payment of the costs.

A piece of art cannot be qualified as forgery just on the basis that it has been restored.

10.4. Buyer cannot claim that the Auction House retake the piece of art that has turned out to be a forgery, if

- at the date of the sale by auction the description in the Catalogue was in accordance with the generally accepted expert opinions, or if the Catalogue mentioned differences between expert opinions,

- the method used to confirm that the piece of art was a forgery was not generally accepted at the time of the publication of the Catalogue and/or when no such method was known, or if the analysis would have resulted in a deterioration of the piece of art, or if the costs of the examination would have been equal to or greater than the value of the piece of art estimated by the Auction House.

11. Data protection

11.1 The personal particulars of the Auction Buyers (name and address) shall not be made available to third parties, and shall not be made public by the Auction House. The Auction House shall delete without delay the registered personal particulars (unless the Auction Buyer expressly decides on the contrary) from its records after the auction, except for the particulars of the Buyer of the given lot, provided that such particulars are required for the execution of the sales contract, and/or in other cases required by the law or other obligatory regulation. Further details relating data management are available in the Privacy notice of the Auctionhaus (<https://bav-art.hu/adatvedelem/>).

12. Miscellaneous provisions

12.1 Considering the issues not regulated herein the provisions of the Hungarian laws and the effective Hungarian rules of law are governing. Should any of the provisions of these Auction Terms & Conditions be invalid or ineffective due to changes in law, the affected provision shall automatically be replaced by the provision of the new law. In case of a legal dispute, parties recognize the jurisdiction of the Courts in Hungary. The affected parties accept that the Auction Terms & Conditions constitute an essential content part of the sales contract without any separate declaration of any and all of the parties.

13. To the attention of foreign Buyers

Act LXIV of 2001 regulates the shipment of cultural goods abroad. Cultural goods may only be shipped abroad finally with the license granted by the Inspectorate.

At request, the Auction House provides information about the company that may assist shipment of piece of arts abroad from Hungary (licensing, packaging, customs clearance, and shipment).