

## AUCTION TERMS AND CONDITIONS

### 1. Definitions and terms

1.1. Auction house: BÁV Auction House and Pawnshop Private Company Limited by Shares (1027 Budapest, Csalogány u. 23-33.), as a legal entity engaged in the business of organising auctions.

1.2 Hybrid Auction: an auction in which participation is possible both in person and as an Absentee bidder according to Chapter 9 of these Auction Terms and Conditions.

1.3 Online auction: an auction in which participation is only possible as an Absentee bidder online.

1.4 Auction Bidder: a person or entity who, either in person or through a representative, with a registered account, bidding paddle or as an Absentee bidder pursuant to Chapter 9 of these Auction Terms and Conditions, intends to bid or makes a bid for an Auction Lot.

1.5 Buyer: the Auction bidder with whom the sales contract is concluded.

1.6. Hammer Price: the price determined by the Auction House upon acceptance of the bid by the Auction Bidder bidding the highest price for the Lot, with confirmation of acceptance by bringing down the hammer, that is not equal to the (total) purchase price as set out in these Auction Terms and Conditions.

1.7 Purchase Price: the amount of the Hammer Price plus the items set out in Clause 6 of these Auction Conditions.

1.8. BÁV Online Auctions Website: the Internet platform operated by the Auction House through which the Auction Bidder can attend both Hybrid Auctions (remote, online) and Online Auctions. Frequently asked questions on the BÁV Online Auctions Website can be found here: <https://bav-art.hu/gyik/>

### 2. Lots

2.1 A Lot is an item or group of items that the Auction House has determined to be suitable for auction and that may be offered for sale in the auction as a separate bid, and which may be viewed at the pre-auction exhibition. The Auction House shall publish an auction catalogue (Catalogue) of the Lots to be auctioned.

The Catalogue can be downloaded from the BÁV Online Auctions website and the BÁV ART website, while in the case of certain art auctions, in addition to the download option described above, it can also be viewed in printed form at the pre-auction exhibition.

Catalogue descriptions and illustrations are for identification purposes only. The descriptions of the Lots in the Catalogue are based on the subjective opinions of experts. The Catalogue draws attention only to those faults and imperfections in the Lots which may significantly reduce the value of the Lot.

2.2 The Auction House reserves the right to postpone the auction or to withdraw the auction of particular Lots in the Catalogue, to modify the starting prices and descriptions in the Catalogue or to change the sequence of bidding for the lots. In such cases, no claims or demands for damages or other claims may be made against the Auction House.

### 3. Conditions of participation in the auction

3.1. Attending a hybrid auction in person is only possible by registering for a Bidding Paddle. The Bidding Paddle may be handed over to the person whose name, address and, with his/her consent, telephone number and/or e-mail address are registered. Receipt of the Bidding Paddle constitutes

implicit acceptance that the Auction Bidder has read and agrees to be bound by these Auction Terms and Conditions and the Privacy Policy.

3.2 It is also possible to attend a Hybrid Auction (in addition to the above) as an Absentee Bidder in the ways detailed in Chapter 9 of these Auction Terms and Conditions.

3.3 Attending an online auction is only possible on the BAV Online Auctions website after registration (as described in detail in the Frequently Asked Questions on the BAV Online Auctions website).

**4. Auction process**

4.1 The auction process is managed by the auctioneer on behalf of the Auction House. The auctioneer has the right to decide on all matters during the auction, and no objections or appeals may be lodged in the auction. The auctioneer shall be responsible for the order of the auction and may take all necessary measures and issue instructions to maintain and restore order in the auction. The auctioneer may prohibit the further presence of any person disturbing the orderly conduct of the Hybrid Auction.

4.2. The auctioneer shall briefly present the Lots (as a rule, in the order indicated in the Catalogue) and announce the starting price, the Bidders (as well as the Auction House acting on behalf of Absentee Bidders who left a commission bid) shall make a bid by showing the full numbered side of their Bidding Paddle to the Auctioneer, while the Bidders bidding online shall make a purchase bid by clicking on the 'Place Bid' button on the BAV Online Auctions website.

In the case of a hybrid auction, the Auctioneer may also request verbal confirmation of the reason for moving the Bidding Paddle, in case of doubt.

If more than one bid is received for the Starting Price, the Auctioneer will increase the price according to the bidding increment until only one Bidder remains and the highest bid is accepted for the Lot.

4.3 The first bid must be equal to the starting price of the Lot. Subsequent bids may be made according to the bidding increments detailed below:

Last bid (Ft)	Amount of increase (Ft)
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
From 100 000 000 to 200 000 000	10 000 000

4.4 If the identity of the Buyer cannot be established during or after the auction for any reason, or is in doubt, the Lot may be reopened for auction.

4.5 The Buyer may not return a Lot which has already been sold (knocked down) during the auction and may not re-auction it in that auction. At the end of the auction the Auctioneer shall list the Lots not sold and re-auction them. If, during or after the auction, the Buyer of a Lot is not found or does not present him-/herself, the Lot may be re-auctioned, in which case the Auction House shall be entitled to claim the price difference from the original buyer.

4.6 Any conduct which is intended to fraudulently influence the Auction, the Bidding or the Hammer Price or to circumvent the Auction Terms and Conditions is prohibited. The Auctioneer may exclude from the Auction any Auction Bidder who engages in prohibited conduct. If an Auction Bidder transfers the Bidding Paddle to another attendee during the Hybrid Auction and such attendee makes a winning bid(s), the Auction House may refuse to enter into a contract with such winning Auction Bidder and may recover all its damages and costs from the unauthorised transferor of the Bidding Paddle.

4.7 An Auction Buyer who has made the highest (knocked down) bid on a previous occasion but has failed to pay the deposit or the Purchase Price in full within the time limit and/or has breached any other obligation set out in the Auction Terms and Conditions may be excluded from the Auction(s) in the future or may be subject to the provision of a financial security in advance. The same provision shall apply to the representative of the Auction Bidder and the Auction Bidder represented by him, in which case the Auction House shall not be obliged to investigate whether the default was due to the fault of the representative or the Auction Bidder represented.

4.8 The auction and the purchase price shall be established in Hungarian forints, however, the Auction House shall publish the starting price in the Catalogue in Euros and US Dollars for information purposes.

## 5. Sales Contract

5.1 The sales agreement shall be concluded between the Auction House and the Auction Bidder submitting the highest bid, subject to the additions set out in Sections 5.2 and 5.3, upon the knockdown. The Buyer shall acquire title to the Lot upon full payment of the purchase price in accordance with Clause 6.1 and upon receipt of the Lot from the Auction House.

5.2 Pursuant to Article 86 of Act LXIV of 2001 on the Protection of Cultural Heritage, the ownership of cultural property declared protected (Lots marked with "Export restrictions" in the Catalogue) may be transferred only on the basis of a written contract. The written contract is concluded within 15 days of the auction.

5.3 The owner shall notify the Department of Cultural Goods Inspectorate of the Ministry of Construction and Transport ("the Authority") of any changes in the data relating to cultural goods qualified as protected – as specified in the decision to declare it protected (name and address of the owner; place of custody of the object declared protected) without delay, but no later than 8 days after becoming aware of such changes. In the case of the transfer of cultural property declared protected in a commercial transaction, in particular at auction, the Auction House shall also be obliged to notify.

5.4 Pursuant to Article 86(1) of Act LXIV of 2001 on the Protection of Cultural Heritage, the Hungarian State has the right of first refusal for the elements of cultural property declared protected. The representative of the Authority is obliged to declare immediately after the knock-down if he intends to exercise his right of pre-emption. A timely declaration shall be deemed to be made if the representative of the Authority informs the representative of the Auction House of the exercise of the right of first refusal before the end of the auction.

## 6. Purchase price

6.1 The Purchase Price shall be the sum of the Hammer Price plus the Auction Commission pursuant to Clause 6.3 and any other taxes or charges required by law.

6.2 The Buyer shall pay the Purchase Price within 5 calendar days from the date of the Auction, while the Absentee bidder shall pay the Purchase Price within 5 calendar days from the date of receipt of the Auction House's electronic notification, either in cash or by credit card at the Auction House's designated unit, provided that the Auction House shall accept cash payment for items not classified as precious metals or cultural goods only up to 2. 999.999 HUF per item. If the Buyer fails to pay the Purchase Price in full by the specified deadline, the Auction House shall be entitled to withdraw from the sale. If the Auction House fails to withdraw from the sale, it shall be entitled to claim default interest pursuant to the Civil Code.

6.3 In the event of a successful auction, the Auction House shall be entitled to an auction commission of 25% of the Hammer Price.

6.4. In certain cases provided for by law, the Buyer may be subject to other payment obligations at the same time as payment of the Purchase Price.

6.5. In such cases, the law in force at the time of the conclusion of the contract of sale shall prevail.

## 7. Transfer of the auction lot

7.1 If the Buyer has paid the Purchase Price in full and the customer identification/customer due diligence pursuant to Chapter 8 of these Auction Terms and Conditions has been fully completed, the Lot may be accepted at the Auction Venue in the case of a Hybrid Auction, and at the Auction House's designated unit from the day following the Auction for Online Auctions, and for Lots purchased by an Absentee Bidder, as designated by the Auction House on a case-by-case basis.

7.2 The Buyer shall, at its own risk and expense, dispose of the purchased Lot within 5 calendar days of the Auction Date, after payment of the Purchase Price. The Auction House shall not be obliged to provide the item with security packaging or to fulfil any special packaging request at the Buyer's expense. In the event of failure to remove the Object, the Auction House shall not be liable for any damage to or loss of the Object and shall be entitled to charge the Buyer a storage fee of 0.2% per day of the Purchase Price from the third working day following the auction. The storage fee shall be payable at the time of taking possession of the work of art.

7.3 If the Buyer fails to deliver the work of art despite being requested to do so, the Auction House may, after a period of 6 months, withdraw from the sales contract, retaining the deposit, and claim compensation for damages (including in particular the auction commission and costs). The Auction House shall hold the part of the amount paid by the Buyer in excess of the deposit and the amount of damages in escrow for the benefit of the Buyer, free of interest, until the expiry of the limitation period; it shall pay the amount upon written request by the Buyer.

## 8. Regulations of anti-money laundering

8.1 Pursuant to the regulations of Act LIII of 2017 on Preventing and Combating of Money Laundering and Terrorist Financing ("AML Act"), the Auction House shall comply with the following obligations in the case of the sale of auction lots qualified as precious metals and cultural goods .

8.2 If the amount payable (including VAT and commission) for the precious metal auction lot(s) reaches HUF 300,000 but does not exceed HUF 4,500,000, the Auction House shall record the details of the Buyer as required by the Pmt (AML Act).

8.3 If the amount to be paid for precious metals or cultural goods (either in the case of a single transaction, i.e. a knockdown, or in the case of the aggregation of several transactions as described in Section 8.2 within one calendar year) reaches HUF 4,500,000, the Auction House shall be obliged to carry out a customer due diligence in respect of the Buyer pursuant to the Pmt., which shall require the copying of documents and the completion of forms.

8.4 In the event of refusal to comply with the statutory obligation, the transaction may not be completed, the sales contract shall be null and void and the auction of the Lot concerned may be reopened.

## 9. Absentee Bidders

### 9.1. Placing a Commission bid - Hybrid auction

9.1.1. If the Auction Bidder does not wish to participate in the auction in person, the Auction House shall place bids on behalf of the Absentee Bidder (constitutor) on the basis of the Commission bid placed by the Auction Bidder, provided that the Absentee Bidder delivers a signed copy of the Commission Bid contract to the Auction House or sends it by email to aukcio@bav.hu no later than 24 hours before the start of the auction, or submits his/her Commission Bid online via the dedicated interface of BAV Online Auctions website (including the so called „ Security Bid” submitted through online auction platform detailed in 9.2). The Absentee Bidder shall be obliged to pay the down payment to be specified in the Commission Bid contract. The Auction House may waive the requirement to pay the deposit.

9.1.2 If the Commission Bid is successful (the sales agreement for the Lot is concluded with the Auction Buyer as the Bidder who placed the Commission Bid), the amount of the advance payment, but not more than 20% of the Purchase Price, shall be considered a deposit and shall be included in the Purchase Price if the sales agreement is fulfilled. The Auction Buyer who places a Commission Bid shall be subject to the rules set out in these Auction Terms and Conditions in all other respects (deadline for payment of the Purchase Price, delivery of the auction lot, etc.), provided that any written contract (clause 5.2) shall be concluded no later than the time of payment of the Purchase Price.

9.1.3 If a third person places a higher Commission Bid for the same Lot or if the present Auction Bidder places a higher bid, the Auction Bidder placing the Commission Bid shall be refunded the advance payment after the auction without any deduction.

9.1.4 If a third party places a Commission Bid for the same Lot for the same amount, the Auction House shall represent the previously placed Commission Bid.

### 9.2. Telephone and Online Bidding - Hybrid Auction

9.2.1. The Auction House also offers telephone bidding in the case of a hybrid auction and online telephone bidding via the BAV Online Auctions website after registration.

9.2.2. Acceptance of the application is subject to the submission (delivery) of a signed copy of the Absentee Bid Form to the Auction House, or if you place your order for telephone bidding online via the BAV Online Auctions platform.

9.2.3 In the event of a successful telephone or online telephone bidding, the sales agreement shall be concluded with the Auction Buyer as the Buyer for the Lot. The amount of the deposit paid, up to a maximum of 20% of the Purchase Price, shall be considered as a deposit and shall be included in the Purchase Price in the event of the execution of the sales contract. In all other respects (time limit for payment of the Purchase Price, transfer of the lot, etc.), the rules set out in these Auction Conditions shall apply, with the provision that any written contract (clause 5.2) shall be concluded no later than the time of payment of the Purchase Price.

### 9.3. Participation in online auctions

9.3.1. The detailed rules for bidding in online auctions are available on the BAV Online Auctions website.

9.3.2 In the event of a successful online bidding, the sales contract for the Lot shall be concluded with the Auction Buyer bidding online, as the Buyer. In all other respects (deadline for payment of the Purchase Price, delivery of the Auction Lot, etc.), the rules set out in these Auction Terms and Conditions shall apply, with the provision that any written contract (clause 5.2) shall be concluded no later than the time of payment of the Purchase Price.

9.4 The Auction House accepts no liability whatsoever in connection with the execution of a Commission Bid or the placing of a bid by telephone or online.

## 10. Liability

10.1 The Hammer Price is evolved from the open purchase bids of the Auction Bidders and therefore the Auction House shall not be liable for the Hammer Price of the Lot. The Auction House does not undertake any obligation to offer the same Lot for auction at the same price in subsequent auctions.

10.2 The Auction Bidder shall ascertain the condition of the Lot and that it is in accordance with the Catalogue, prior to the auction. In view of this and the characteristics of the Lots to be sold (second-hand items, age, etc.), the Auction House shall not be liable for any defects or deficiencies in the Lots; the Auction Buyer may not present any product claims for warranty against the Auction House following the auction for any defects of the lots.

10.3 The Auction House assumes responsibility for the authenticity of the works of art sold at the auction. In case of any first substantiated doubt learnt by the Buyer with respect to the authenticity of 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 the 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, deterioration, 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 engage 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. and to bear the costs of the examination in the event of the authenticity of the object being established. 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 without any obligation. The costs shall be paid in advance and borne in the currency of the payment of the costs. A Lot shall not be considered a forgery by reason of the fact that it has been restored.

10.4 The Buyer may not claim from the Auction House to retake an object of art which is found to be a forgery if

- at the time of the auction, the description in the Catalogue was in accordance with generally accepted expert opinion or the Catalogue indicated a difference in expert opinion;
- the only method of determining whether the work of art is a forgery was not generally accepted or known at the time the Catalogue was published, or the cost of the examination would have resulted in damage to the work of art or would have exceeded or exceeded the value of the work of art as estimated by the Auction House.

## **11. Data protection**

11.1 The Auction House shall only make the personal data of Auction Buyers available to its partner operating the BÁV Online Auctions website in the event of a purchase order placed online and online bidding, in accordance with the provisions of the Data Management Information. Further details on data processing are available in the Auction House's Privacy Policy (<https://bav-art.hu/adatvedelem/>).

## **12. Other provisions**

12.1. If any provision of the Auction Terms and Conditions becomes invalid or ineffective due to a change in the law, the provision concerned shall automatically be replaced by the new legal provision. In the event of a dispute, the parties agree to submit to Hungarian jurisdiction. The parties concerned agree that the Auction Conditions shall constitute the essential content of the sales agreement without any specific declaration by either party.

## **13. For foreign buyers**

13.1 The export of cultural goods abroad is governed by Act LXIV of 2001. Cultural goods may be permanently exported only with the permission of the Authority. The Auction House will, on request, provide information on which company can assist with the export of works of art (licensing, packaging, customs clearance, transport).