

CONDITIONS OF BUSINESS

The nature of the relationship between Sotheby's, Sellers and Bidders and the terms on which Sotheby's (as auctioneer) and Sellers contract with Bidders are set out below.

Bidders' attention is specifically drawn to Conditions 3 and 4 below, which require them to investigate lots prior to bidding and which contain specific limitations and exclusions of the legal liability of Sotheby's and Sellers. The limitations and exclusions relating to Sotheby's are consistent with its role as auctioneer of large quantities of goods of a wide variety. Bidders should pay particular attention to these Conditions.

1. Introduction

(a) Sotheby's and Sellers' contractual relationship with prospective Buyers is governed by:

- (i) these Conditions of Business;
- (ii) the Conditions of Business for Sellers displayed in the saleroom and which are available upon request from Sotheby's UK salerooms or by telephoning +44 (0)20 7293 6152;
- (iii) Sotheby's Authenticity Guarantee as printed in the sale catalogue; and
- (iv) any additional notices and terms printed in the sale catalogue, including Buying at Auction, in each case as amended by any saleroom notice or auctioneer's announcement at the auction.

(b) As auctioneer, Sotheby's acts as agent for the Seller. A sale contract is made directly between the Seller and the Buyer. However, Sotheby's may own a lot (and in such circumstances acts in a principal capacity as Seller) and/or may have a legal, beneficial or financial interest in a lot as a secured creditor or otherwise.

2. Common Terms

In these Conditions of Business:

Bidder is any person considering, making or attempting to make a bid, by whatever means, and includes Buyers;

Buyer is the person who makes the highest bid or offer accepted by the auctioneer, and includes such person's principal when bidding as agent;

Buyer's Expenses are any costs or expenses due to Sotheby's from the Buyer and any Artist's Resale Right levy payable in

respect of the sale of the Property, including an amount in respect of any applicable VAT thereon;

Buyer's Premium is the commission payable by the Buyer on the Hammer Price at the rates set out in Buying at Auction;

Counterfeit is as defined in Sotheby's Authenticity Guarantee;

Hammer Price is the highest bid accepted by the auctioneer by the fall of the hammer (in the case of wine, as apportioned pro-rata by reference to the number of separately identified items in that lot), or in the case of a post-auction sale, the agreed sale price;

Noortman is Noortman Master Paintings BV, an independently managed subsidiary of Sotheby's;

Purchase Price is the Hammer Price and applicable Buyer's Premium and VAT;

Reserve is the (confidential) minimum Hammer Price at which the Seller has agreed to sell a lot;

Seller is the person offering a lot for sale (including their agent (other than Sotheby's), executors or personal representatives);

Sotheby's means Sotheby's, the unlimited company which has its registered office at 34-35 New Bond Street, London W1A 2AA;

Sotheby's Company means both Sotheby's in the USA and any of its subsidiaries (including Sotheby's in London) and Sotheby's Diamonds S.A. and its subsidiaries (in each case "subsidiary" having the meaning of Section 736 of the Companies Act 1985);

VAT is Value Added Tax at the prevailing rate. Further information is contained in Buying at Auction.

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3. Duties of Bidders and of Sotheby's in respect of items for sale

(a) Sotheby's knowledge in relation to each lot is partially dependent on information provided to it by the Seller, and Sotheby's is not able to and does not carry out exhaustive due diligence on each lot. Bidders acknowledge this fact and accept responsibility for carrying out inspections and investigations to satisfy themselves as to the lots in which they may be interested.

(b) Each lot offered for sale at Sotheby's is available for inspection by Bidders prior to the sale. Sotheby's accepts bids on lots solely on the basis that Bidders (and independent experts on their behalf, to the extent appropriate given the nature and value of the lot and the Bidder's own expertise) have fully inspected the lot prior to bidding and have satisfied themselves as to both the condition of the lot and the accuracy of its description.

(c) Bidders acknowledge that many lots are of an age and type which means that they are not in perfect condition. All lots are offered for sale in the condition they are in at the time of the auction (whether or not Bidders are in attendance at the auction). Condition reports may be available to assist when inspecting lots. Catalogue descriptions and condition reports may on occasions make reference to particular imperfections of a lot, but Bidders should note that lots may have other faults not expressly referred to in the catalogue or condition report. Illustrations are for identification purposes only and will not convey full information as to the actual condition of lots.

(d) Information provided to Bidders in respect of any lot, including any estimate, whether written or oral and including information in any catalogue, condition or other report, commentary or valuation, is not a representation of fact but rather is a statement of opinion genuinely held by Sotheby's. Any estimate may not be relied on as a prediction of the selling price or value of the lot and may be revised from time to time in Sotheby's absolute discretion.

(e) No representations or warranties are made by Sotheby's or the Seller as to whether any lot is subject to copyright or whether the Buyer acquires copyright in any lot.

(f) Subject to the matters referred to in Conditions 3(a) to 3(e) above and to the specific exclusions contained at Condition 4 below, Sotheby's shall exercise such reasonable care when making express statements in catalogue descriptions or condition reports as is consistent with its role as auctioneer of lots in the sale to which these

Conditions relate, and in the light of (i) the information provided to it by the Seller; (ii) scholarship and technical knowledge; and (iii) the generally accepted opinions of relevant experts, in each case at the time any such express statement is made.

(g) Bidders agree that Noortman may bid for and/or purchase any lot.

4. Exclusions and limitations of liability to Buyers

(a) Sotheby's shall refund the Purchase Price to the Buyer in circumstances where it deems that the lot is a Counterfeit and each of the conditions of the Authenticity Guarantee has been satisfied.

(b) In the light of the matters in Condition 3 above and subject to Conditions 4(a) and 4(e), neither any Sotheby's Company nor the Seller:

(i) is liable for any errors or omissions in information provided to Bidders by Sotheby's (or any Sotheby's Company), whether orally or in writing, whether negligent or otherwise, except as set out in Condition 3(f) above;

(ii) gives any guarantee or warranty to Bidders and any implied warranties and conditions are excluded (save in so far as such obligations cannot be excluded by law) other than the express warranties given by the Seller to the Buyer in Condition 2 of the Sellers' Conditions of Business;

(iii) accepts responsibility to any Bidders in respect of acts or omissions (whether negligent or otherwise) by Sotheby's in connection with the conduct of auctions or for any matter relating to the sale of any lot (including the act of permitting Noortman to bid for and/or purchase any lot).

(c) Unless Sotheby's owns a lot offered for sale, it is not responsible for any breach of these conditions by the Seller.

(d) Without prejudice to Condition 4(b), any claim against Sotheby's or the Seller by a Bidder is limited to the Purchase Price with regard to that lot. Neither Sotheby's nor the Seller shall under any circumstances be liable for any consequential losses.

(e) None of this Condition 4 shall exclude or limit Sotheby's liability in respect of any fraudulent misrepresentation made by Sotheby's or the Seller, or in respect of death or personal injury caused by the negligent acts or omissions of Sotheby's or the Seller.

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5. Bidding at Auction

- (a) Sotheby's has absolute discretion to refuse admission to the auction. Bidders must complete a Paddle Registration Form and supply such information and references as required by Sotheby's. Bidders act as principal unless they have Sotheby's prior written consent to bid as agent for another party. Bidders are personally liable for their bid and are jointly and severally liable with their principal if bidding as agent.
- (b) Sotheby's advises Bidders to attend the auction but will seek to carry out absentee written bids which are in pounds sterling and, in Sotheby's opinion, clear and received sufficiently in advance of the sale of the lot, endeavouring to ensure that the first received of identical written bids has priority.
- (c) Where available, written and telephone bids are offered as an additional service for no extra charge, at the Bidder's risk and shall be undertaken with reasonable care subject to Sotheby's other commitments at the time of the auction; Sotheby's therefore cannot accept liability for failure to place such bids save where such failure is unreasonable. Telephone bids may be recorded.

6. Conduct of the Auction

- (a) Unless otherwise specified, all lots are offered subject to a Reserve, which shall be no higher than the low presale estimate at the time of the auction.
- (b) The auctioneer has discretion at any time to refuse any bid, withdraw any lot, re-offer a lot for sale (including after the fall of the hammer) if he believes there may be error or dispute, and take such other action as he reasonably thinks fit.
- (c) The auctioneer will commence and advance the bidding at levels and in increments he considers appropriate and is entitled to place a bid or series of bids on behalf of the Seller up to the Reserve on the lot, without indicating he is doing so and whether or not other bids are placed.
- (d) Subject to Condition 6(b), the contract between the Buyer and the Seller is concluded on the striking of the auctioneer's hammer, whereupon the Buyer becomes liable to pay the Purchase Price.
- (e) Any post-auction sale of lots offered at auction shall incorporate these Conditions as if sold in the auction.

7. Payment and Collection

- (a) Unless otherwise agreed, payment of the Purchase Price for a lot and any Buyer's Expenses are due by the Buyer in pounds sterling immediately on conclusion of the auction (the "Due Date") notwithstanding any requirements for export, import or other permits for such lot.
- (b) Title in a purchased lot will not pass until Sotheby's has received the Purchase Price and Buyer's Expenses for that lot in cleared funds. Sotheby's is not obliged to release a lot to the Buyer until title in the lot has passed and appropriate identification has been provided, and any earlier release does not affect the passing of title or the Buyer's unconditional obligation to pay the Purchase Price and Buyer's Expenses.
- (c) The Buyer is obliged to arrange collection of purchased lots within five days of the auction. Purchased lots are at the Buyer's risk (and therefore their sole responsibility for insurance) from the earliest of i) collection or ii) five days after the auction. Until risk passes, Sotheby's will compensate the Buyer for any loss or damage to the lot up to a maximum of the Purchase Price paid. Buyers should note that Sotheby's assumption of liability for loss or damage is subject to the exclusions set out in Condition 6 of the Conditions of Business for Sellers.
- (d) For all items stored by a third party and not available for collection from Sotheby's premises, the supply of authority to release to the Buyer shall constitute collection by the Buyer.
- (e) All packing and handling is at the Buyer's risk. Sotheby's will not be liable for any acts or omissions of third party packers or shippers.
- (f) The Buyer of any firearm is solely responsible for obtaining all valid firearm or shotgun certificates or certificates of registration as a firearms dealer, as may be required by the regulations in force in England and Wales or Scotland (as applicable) relating to firearms or other weapons at the time of the sale, and for complying with all such regulations, whether or not notice of such is published in the Sale Catalogue. Sotheby's will not deliver a firearm to a Buyer unless the Buyer has first supplied evidence to Sotheby's satisfaction of compliance with this Condition.

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8. Remedies for non-payment

Without prejudice to any rights the Seller may have, if the Buyer without prior agreement fails to make payment for the lot within five days of the auction, Sotheby's may in its sole discretion (having informed the Seller) exercise one or more of the following remedies:

- (a) store the lot at its premises or elsewhere at the Buyer's sole risk and expense;
- (b) cancel the sale of the lot;
- (c) set off any amounts owed to the Buyer by a Sotheby's Company against any amounts owed to Sotheby's by the Buyer in respect of the lot;
- (d) reject future bids from the Buyer or render such bids subject to payment of a deposit;
- (e) charge interest at 6% per annum above HSBC Bank plc Base Rate from the Due Date to the date the Purchase Price and relevant Buyer's Expenses are received in cleared funds;
- (f) exercise a lien over any of the Buyer's property which is in the possession of a Sotheby's Company. Sotheby's shall inform the Buyer of the exercise of any such lien and within 14 days of such notice may arrange the sale of such property and apply the proceeds to the amount owed to Sotheby's;
- (g) resell the lot by auction or private sale, with estimates and reserves at Sotheby's discretion. In the event such resale is for less than the Purchase Price and Buyer's Expenses for that lot, the Buyer will remain liable for the shortfall together with all costs incurred in such resale;
- (h) commence legal proceedings to recover the Purchase Price and Buyer's Expenses for that lot, together with interest and the costs of such proceedings on a full indemnity basis; or
- (i) release the name and address of the Buyer to the Seller to enable the Seller to commence legal proceedings to recover the amounts due and legal costs. Sotheby's will take reasonable steps to notify the Buyer prior to releasing such details to the Seller.

9. Failure to collect purchases

- (a) If the Buyer pays the Purchase Price and Buyer's Expenses but fails to collect a purchased lot within fourteen calendar days of the auction, the lot will be stored at the Buyer's expense (and risk) at Sotheby's or with a third party.
- (b) If a purchased lot is paid for but not collected within six months of

the auction, the Buyer authorises Sotheby's, having given notice to the Buyer, to arrange a resale of the item by auction or private sale, with estimates and reserves at Sotheby's discretion. The proceeds of such sale, less all costs incurred by Sotheby's, will be forfeited unless collected by the Buyer within two years of the original auction.

10. Export and Permits

It is the Buyer's sole responsibility to obtain any necessary export, import, firearm, endangered species or other permit for the lot. Without prejudice to Conditions 3 and 4 above, Sotheby's and the Seller make no representations or warranties as to whether any lot is subject to export or import restrictions or any embargoes. The denial of any permit or licence shall not justify cancellation or rescission of the sale contract or any delay in payment.

11. General

- (a) All images and other materials produced for the auction are the copyright of Sotheby's, for use at Sotheby's discretion.
- (b) Notices to Sotheby's should be in writing and addressed to the department in charge of the sale, quoting the reference number specified at the beginning of the sale catalogue. Notices to Sotheby's clients shall be addressed to the last address formally notified by them to Sotheby's.
- (c) Should any provision of these Conditions of Business be held unenforceable for any reason, the remaining provisions shall remain in full force and effect.
- (d) These Conditions of Business are not assignable by any Buyer without Sotheby's prior written consent, but are binding on Buyers' successors, assigns and representatives. No act, omission or delay by Sotheby's shall be deemed a waiver or release of any of its rights.
- (e) The Contracts (Rights of Third Parties) Act 1999 is excluded by these Conditions of Business and shall not apply to any contract made pursuant to them.
- (f) The materials listed in Condition 1(a) above set out the entire agreement and understanding between the parties with respect to the subject matter hereof. It is agreed that, save in respect of liability for fraudulent misrepresentation, no party has entered into any contract pursuant to these terms in reliance on any representation, warranty or undertaking which is not expressly referred to in such materials.

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12. Data Protection

In connection with the management and operation of our business and the marketing and supply of Sotheby's Companies' services, or as required by law, we may ask clients to provide personal information about themselves or obtain information about clients from third parties (e.g. credit information). If clients provide Sotheby's with information that is defined by law as "sensitive", they agree that Sotheby's Companies may use it for the above purposes. Sotheby's Companies will not use or process sensitive information for any other purpose without the client's express consent.

If you would like further information on Sotheby's policies on personal data, or to make corrections to your information, please contact us on +44 (0)20 7293 6667.

If you would prefer not to receive details of future events please call the above number.

In order to fulfil the services clients have requested, Sotheby's may disclose information to third parties (e.g. shippers). Some countries do not offer equivalent legal protection of personal information to that offered within the EU. It is Sotheby's policy to require that any such third parties respect the privacy and confidentiality of our clients' information and provide the same level of protection for clients' information as provided within the EU, whether or not they are located in a country that offers equivalent legal protection of personal information. By agreeing to these Conditions of Business, clients agree to such disclosure.

Clients will please note that for security purposes, Sotheby's premises are subject to video recording. Telephone calls e.g. telephone bidding/voicemail messages may also be recorded.

13. Law and Jurisdiction

Governing Law These Conditions of Business and all aspects of all matters, transactions or disputes to which they relate or apply shall be governed by and interpreted in accordance with English law.

Jurisdiction For the benefit of Sotheby's, all Bidders and Sellers agree that the Courts of England are to have exclusive jurisdiction to settle all disputes arising in connection with all aspects of all matters or transactions to which these Conditions of Business relate or apply. All parties agree that Sotheby's shall retain the right to bring proceedings in any court other than the Courts of England.

Service of Process All Bidders and Sellers irrevocably consent to service of process or any other documents in connection with proceedings in any court by facsimile transmission, personal service, delivery by mail or in any other manner permitted by English law, the law of the place of service or the law of the jurisdiction where proceedings are instituted, at the last address of the Buyer or Seller known to Sotheby's or any other usual address.