

Auction rules

Article 1 General Provisions

1. Etcetera auctions s.r.o., the corporation with its registered seat in třída Kpt. Jaroše 1850/12, 602 00 Brno, ID No. 04163893, registered in the Commercial Registry maintained by the Regional Court of Brno in Section C, Entry 88523 (hereinafter referred to as "ETCETERA") sells, in its own name and on the account of its clients (hereinafter referred to as "Sellers") artistic objects, including by means of auctions.

2. This notice of auction (hereinafter referred to as "Auction Rules") is issued for the purpose of organising the sale of artistic items by the auction house ETCETERA through voluntary public auctions.

3. ETCETERA notifies that on 22. 4. 2017 since 18:30 it shall conduct a voluntary public auction upon the request of the owners of auctioned items at Galerie Kvalitář, Senovážné náměstí 17, 110 00 Praha 1, pursuant to Law No. 26/2000 Sb., on Public Auctions, as amended.

4. The auction items shall be exhibited at:

BRNO
Třída kpt. Jaroše 12
602 00, Brno
12. - 16. 4. 2017, 10 a.m. – 5 p.m.

PRAGUE
Galerie Kvalitář
Senovážné náměstí 17, Praha 1
19. - 21. 4. 2017, 10 a.m. – 6 p.m.

PRAGUE (the auction day)
Galerie Kvalitář
Senovážné náměstí 17, 110 00 Praha 1
22. 4. 2017, 10 a.m. – 6 p.m.

5. These Auction Rules are binding upon all persons present at the auction and by their presence at the auction venue these persons declare that they accept them.

6. The Auction Rules are available at the auction exhibition, at the auction venue, at the registered seat of ETCETERA and at <http://etcetera-auctions.com/>

Article 2 Auction and the Subject of Auction

1 This Auction is organised in line with established international practice in the sphere of trade in art and pursuant to

the applicable laws of the Czech Republic.

2. Auction items sold in the auction, including their minimum bids (upset price), are listed in the auction catalogue, which forms the Annex and the integral part of the Auction Rules. The auction items are sold in the same order in which they are listed in the auction catalogue.

3. With respect to the items that ETCETERA offers for sale in an auction, hereinafter referred to as the "auction item" or "auction items", ETCETERA enters into an agreement on the intermediation of their sale in an auction with their owners. ETCETERA is entitled to sell its own auction items.

4. If an auction item has been declared a cultural asset or if its declaration as such has been proposed under Law No. 20/1987 Coll., on State Heritage Care, as amended, auction participants will be informed thereof during the auction. Cultural assets can only be exported with the prior permission of the relevant authorities. The sale and export of items of cultural value is governed by Law No. 71/1994 Coll., on Sale and Export of Items of Cultural Value, as amended. Such items can only be exported from the Czech Republic upon the presentation of an official certificate stating that the items have not been declared a cultural asset and that they do not constitute a part of a set that has been declared a cultural asset, within the meaning of the Law on State Heritage Care. If the subject of an auction is a collection, or individual items from a collection, registered in the central record of collections of a museum-like nature by the Ministry of Culture of the Czech Republic, the disposal of such items is subject to the conditions set out in Law No. 122/2000 Coll., on the Protection of Museum Collections of a Museum-like Nature.

Article 3

Auction Participant

1. The range of auction participants is limited. Auction participants can only be ETCETERA clients and other persons having ETCETERA's consent, who are registered in advance as auction participants. There is no legal right to registration. ETCETERA may refuse to register a person as an auction participant without stating reasons. If the auction participant violates any of the Auction Rules, ETCETERA is entitled to cancel its registration without stating reasons; the auction participant shall be duly informed about it.

2. Auction participants cannot be persons who do not possess full capacity to engage in legal acts or persons who cannot acquire property and rights to auction items, or persons whose assets have been declared bankrupt or with respect to whom an insolvency proposal was denied due to the insufficiency of their assets, for three years after the effective date of that decision. The auctioneer and ETCETERA employees cannot be auction participants. ETCETERA may exclude a person from an auction if that person has, in the last three years, failed to pay the purchase price of any auction item sold by ETCETERA and/or has otherwise substantially breached its contractual obligations to ETCETERA. ETCETERA is entitled to expel from the auction any person who does not follow the Auction Rules and/or violates the rules and standards of the proper behaviour at the auction or otherwise disrupts the auction.

3. An individual who is an auction participant, a representative of a participant, or acting on behalf of a legal entity that is an auction participant, shall show a valid identification document when registering in the list of participants (identification card, passport, permission to stay in the Czech Republic).

4. A legal entity who is an auction participant or a representative of a participant shall present an excerpt, which is not more than three months old, from the Commercial Registry or another registry in which it is recorded, when registering in the list of participants. That excerpt must show his right to represent that legal entity, including the granting of a power of attorney

5. Every auction participant shall collect an auction number prior to an auction, through which he will make bids in pur-

chasing an auction item

6. ETCETERA is entitled to require in certain cases that the person wishing to register as an auction participant pay a deposit towards the purchase price of an auction item prior to an auction.

7. An auction participant may be represented in an auction on the basis of a written power of attorney.

8. An auction participant may empower ETCETERA to represent him in an auction, on the basis of a power of attorney that is available at www.etcetera-auctions.com or at the seat of ETCETERA.

9. If the participant is interested, ETCETERA as the agent may be given instructions over the telephone or otherwise, for example, by means of a written limit. A written limit may be stated in a written power of attorney, setting the maximum bid that ETCETERA can make in purchasing an auction item when representing an auction participant.

10. If instructions are given over the telephone, ETCETERA as an agent shall only be bound by those instructions of the principal that it receives over the telephone during the auction as concerns the purchase limit. If ETCETERA does not successfully initiate telephone contact with the principal during the auction, regardless of the reason, then ETCETERA is authorized to make one bid in the amount of the upset price for that auction item with respect to which the circumstance has arisen. The principal shall bear sole responsibility for the instructions given to ETCETERA.

Article 4

Course of the Auction

1. An auction catalogue is issued for each auction, listing the auction items to be sold in the auction, the place, date, and time of the auction, and information about where the auction items may be viewed. The auction catalogue is available at the registered seat of ETCETERA at least 15 business days prior to the auction. The auction items are sold in the same order in which they are listed in the auction catalogue. The numeric value printed in the catalogue is the minimum bid for the purchase of the auction item. The prices given in EUR are rounded figures that correspond to the minimum bid for the purchase of the auction item and are for information only. ETCETERA is not responsible for any printing mistakes or colour discrepancies in the typeset auction catalogue.

2. Auction items shall be always exhibited also at the auction date so that they can be viewed. Persons interested in viewing the exhibited auction items are obliged to follow the measures adopted by ETCETERA in order to protect the auctions items. The admission to the exhibition of the auction items is free.

3. Auction participants shall abide by ETCETERA's instructions and shall not disrupt the course of the auction by any means.

4. Auction is started by the ETCETERA representative who may announce the changes to the auction catalogue, amendments of and clarifications regarding the Auction Rules, and announce the instructions for the auction organisation arising therefrom.

5. The auctioneer runs an auction on behalf of ETCETERA. In the auction, the auctioneer invites (usually by providing the reference to the auction catalogue) auction participants to submit binding bids to purchase the auction item. The auctioneer shall announce the so-called starting bid, which is a price (amount) for which the item may be bought. Subsequently, the auctioneer invites the auction participants to submit binding bids for the purchase of the auction item. These bids shall be made in the form of the so-called increments according to the Bid Increment Schedule stipulated in Article 5 of these Auction Rules. After the auctioneer announces (calls) the item amount, potential buyers of the item

bid by raising the auction number or raising the auction number along with the bid that must always be higher than the previous amount called by the auctioneer. Participants shall be bound by their bids in the auction (increments). By submitting his bid (increase), the auction participant confirms that he has acquainted himself with the auction items.

6. If a higher bid has not been submitted in spite of the auctioneer's invitation, the auctioneer will repeat the most recent highest bid and then the auctioneer will knock down the item to the auction participant who made the highest bid. This constitutes the conclusion of a purchase agreement for the auction item between ETCETERA and the person who made the highest bid (hereinafter referred to as the "Successful Bidder"). If several auction participants submit the same bid and no higher bid is submitted, the auctioneer decides to which of them he will knock the item down, i.e., to whom the auction object will be sold.

7. If the minimum bid has not been submitted for an auction item following repeated calls, the auction item shall be deemed unsold (the auctioneer will announce it by saying "not sold" or "the item stays on"). The auction item may be added to the auction repeatedly upon the decision of ETCETERA. In the case of an Internet auction, the agreement for the purchase of an auction item is concluded at the time of the closure of the auction, provided that at least the minimum bid for the purchase of the of the auction item has been made; the auction item shall always be sold to the highest bid.

8. Only ETCETERA clients, ETCETERA staff and other persons having ETCETERA's consent may attend the auction; otherwise the auction is not for the public. No photographs and other audio or video recordings may be taken during an auction without ETCETERA's consent.

9. Any and all objections as to the process of an auction must be raised immediately, directly in the auction hall; otherwise, they shall be disregarded. Any such objections shall be finally resolved on behalf of ETCETERA by the auctioneer, in the spirit of the established international practice and principles of fair business relations. If a bid is overlooked by error during an auction or if it is not taken into account for another reason, or if the auctioneer is in error as to whether a bid has or has not been made, ETCETERA may withdraw from a purchase agreement that has already been concluded, either during the auction or within 3 business days of the auction being held. No rights arise therefrom for the auction participants with respect to ETCETERA, with the exception of the right to the payment of any purchase price and auction fee paid.

Article 5

Bid Increment Schedule

1. The minimum increment (i.e. the minimal possible increase of the bid offered by the auctioneer) changes during the Auction according to the actual bid pursuant to the following table.

Minimum bid and the subsequent (higher) bids within the range of CZK	Minimum Increment in CZK
100 – 5.000 CZK	100 CZK
5.000 – 10.000 CZK	500 CZK
10.000 – 50.000 CZK	1.000 CZK
50.000 – 100.000 CZK	5.000 CZK
100.000 – 500.000 CZK	10.000 CZK
More than 500.000 CZK	50.000 CZK

2. The order of bids shall be decided by the auctioneer.

Article 6

Purchase Price

(attained in an auction), the Auction Fee and the Payment Method

3. The successful bidder must pay the price of the auction items purchased by him in an auction in a due and timely manner. If the purchase price of the auction item is lower than or equal to 200 000 CZK (two hundred thousand Czech crowns), the successful bidder is obliged to pay the purchase price immediately after the end of the auction, unless explicitly agreed otherwise with ETCETERA. If the purchase price of the auction item is lower than or equal to 500 000 CZK (five hundred thousand Czech crowns), it is payable within 10 days of the day of the auction, unless explicitly agreed otherwise with ETCETERA. If the purchase price of the auction item is higher than 500 000 CZK (five hundred thousand Czech crowns), it is payable within 10 days of the day of the auction, unless explicitly agreed otherwise with ETCETERA.

4. If a successful bidder purchases several auction items in an auction, ETCETERA may apply the payment received against the payment of the purchase price of any of the auction items purchased by the successful bidder, at ETCETERA's sole discretion, and/or for the payment of any of its receivables from the successful bidder.

5. The purchase price of an auction item may be paid in cash or by cashless transfer to ETCETERA's bank account or by a credit card at the ETCETERA cash desk. The purchase price of an auction item may be paid in cash only within the limit set by Law No. 254/2004 Coll. On the restriction of cash payments and amending Law No. 337/1992 Coll. on taxes and fees, as amended.

6. If the purchase price attained in an auction is not paid by the due date, ETCETERA may, subject to an agreement with the seller, claim the payment of the purchase price from the successful bidder. In that case, the successful bidder may bear all of the costs related to the collection of the outstanding amount, including the costs of legal representation. ETCETERA may assign these claims to the payment of the purchase price to the seller. Instead of collecting the outstanding amount, ETCETERA may withdraw from the purchase agreement concluded, in which case the successful bidder shall compensate ETCETERA and the seller for the damage sustained, including lost profit.

7. Unless otherwise specified with respect to the particular auction item, the successful bidder is obliged to pay to ETCETERA for each auction item the commission (auction fee) set as the flat rate of the purchase price (the hammer price) according to the table below:

Hammer Price	Auction Fee
up to 1 000 000 CZK	21 %
above 1 000 000 CZK	18 %
above 10 000 000 CZK	15 %

8. The auction fee is directed to the payment of the costs that ETCETERA incurs in relation with the holding of the auction and as remuneration for the services provided by ETCETERA to the successful bidder; hereinafter referred to as the "auction fee". The auction fee is payable within same time periods and in the same manner as the purchase price of the auction item. The auction fee is inclusive of VAT and authorship fee.

Article 7

Acquisition of Ownership and Hand-over of the Auction Item

1., Ownership to the auction item transfers to the successful bidder upon the payment in full of the agreed purchase price; at that time, the risk of the auction item coming to harm or being destroyed or lost transfers to the successful

bidder.

2. The auction item shall be handed over to the successful bidder if he pays the agreed purchase price, auction fee, and any other obligations he has to ETCETERA. The successful bidder shall collect the auction item immediately upon becoming its owner, and shall meet all other requirements for the acceptance of the auction item within that period. Should the successful bidder be in default in the acceptance of the auction item, ETCETERA may charge him CZK 100 for every day of default per auction item purchased. At the same time, ETCETERA may deposit the auction item in court custody at the successful bidder's expense and/or sell it in an appropriate manner, on the account and at the expense of the successful bidder, for a price for which it can be sold (in that case, ETCETERA's remuneration for brokering the sale shall amount to 40% of the purchase price achieved, after the deduction of all of the costs incurred by ETCETERA). ETCETERA may exercise the right of retention to any auction items that a successful bidder purchases in an auction, to secure the payment of any obligations that the successful bidder has towards ETCETERA.

3. Together with the auction item, ETCETERA shall provide the successful bidder with a written confirmation of the acquisition of ownership. ETCETERA shall provide only basic packaging of the auction item that is usual for the hand-over of auction item, not the special packaging for other purposes (e.g. for the transport of the item). On the basis of an agreement with the successful bidder, ETCETERA will send the auction item to an address appointed by the successful bidder. Any and all costs related to the carriage of an auction item shall be borne by the successful bidder. The price of the carriage of an auction item shall be determined on the basis of the current lists of tariffs of ETCETERA's contractual carriers.

4. In the case of the export of items purchased in an auction outside of the Czech Republic, ETCETERA does not arrange any actions in the territory of the country to which the items purchased in an auction are exported, or any matters related to their import, in particular tax or customs issues, and that all such matters must be taken care of by the successful bidder separately, at its own expense.

5. The place of the performance of obligations related to an auction is the registered seat of ETCETERA, taking into account the fact that usually auctions are not held at ETCETERA's registered seat.

6. ETCETERA is not obliged to inform the successful bidder about the identity of the seller.

Article 8

Liability for Damages

1. If ETCETERA is liable to the successful bidder for damages, the successful bidder agrees that the compensation of damages will be limited. ETCETERA is not obliged to compensate him for any lost profit or any damage that would have occurred even otherwise. Property damage shall only be compensated to the amount shown and only up to the purchase price paid for the auction object. ETCETERA shall not be liable to the successful bidder for any damage sustained by auction items that occurs while the successful bidder is in default in the collection of the items.

2. Any hidden defects of the auctioned items must be claimed within 12 months of the acceptance of the auction items.

3. An estimate, professional identification, and description of auction items are carried out by ETCETERA's experts. The information provided in the auction catalogue is the result of careful investigations, but the accuracy of expert opinions cannot be guaranteed. Only such defects and damage are stated with respect to artistic objects, in particular paintings and antiques, as have an impact on their artistic value and could have an impact on their price. Such items may have been restored, may be damaged, and may not be functional, etc. Any damage (non-functionality) is already reflected in the valuation of the auction item provided in the auction catalogue. Every bidder interested in purchasing them (in participating in an auction) can view the items offered in an auction in advance at the times stated in the auction cata-

logues. Claims concerning the price, quality, state, and functionality of auction items are excluded once an item has been knocked down.

Article 9

Concluding Provisions

1. The purchase of an item in an auction and the legal relationships related thereto shall be governed by the laws of the Czech Republic. The application of the UN Convention on Contracts for the International Sale of Goods shall be excluded. The court of material jurisdiction over the registered seat of ETCETERA shall be competent to resolve disputes arising from an auction.

2. Any and all services provided by ETCETERA on the basis of these Auction Rules or on the basis of an agreement on the intermediation of a sale in an auction entered into with the owners of auction items shall be deemed, for tax purposes, to be rendered on the day on which the auction item is handed over to the successful bidder.



Etcetera auctions s.r.o.
Miroslav Jiřele, Executive (jednatel)

Pavla Kosař, Executive (jednatelka)