

# Approved

By order of director "Zhashkov stud farm" Ltd.

From <<02>> August 2011 year №11

## Regulation

### About horses auction

#### 1. Terms and conditions

- 1.1. This Regulation is about horses sale auction (Regulation from now on) sets defines of the organization and conducting the auction sales of breeding and sport horses.
- 1.2. Bidding is open for membership and held in the form of an action with an open form of price offers.
- 1.3. Terms used in this Regulation have following meanings:

**Auction** – form of sales conducting at which an object is sold to a participant that offers a highest price(a bid) in the course of auction that is fixed by an auctioneer;

**Participant card** – card with number of registration, which identifies party and gives right to participate in the auction. During the auction participant raises his card to purchase the object by last price that was announced by auctioneer;

**Step of bid** – minimum premium, which increases starting and all other prices during an auction;

**Auctioneer** – an individual appointed to organize an auction and directly conducts the auction;

**Lot** – a horse (horses, horses with inventory) that exposed for sale at the auction as a separate position and has its own number;

**Starting price** – price of the lot on which it's sale on auction begins;

**Organizer** – legal person, conducts organization and management of the auction, the owner of horses;

**Auction committee** – committee created by organizer to manage and conduct auction;

**Participant** – person which registered by organizer accordingly to this Regulation and received a participant card;

**Bid winner** – a participant which offered the highest price for bid object during an auction;

Any terms that is not specifically announced in this list has to be understood in accordance to acting law in Ukraine.

- 1.4. During an auction horses that could be sold are those of the harness and riding breed. They are meant to be used for selection, sport, tourism or personal use. Every horse that was exposed for sale at auction has breeding horse passport (pedigree certificate), which confirming its origin;

All horses are under veterinary supervision and found healthy.

Veterinary states of horses are proved by certificate of installed form.

- 1.5. Review of horses offered for auction, as well as familiarization with documents on them may be taken during special presentations, during which conducted brood of horses with comments from specialists and demonstration of horses in hands, on the cord and under saddle. Specially produced for the auction catalog of horses is offered for sale.

## **2. Organization of auction**

- 2.1. Auction organizer:

- 2.1.1. Sets the date and location of auction, purchase conditions of participant cards, order of applications filling for the auction participation, order of admission to auction participation, time and place of action result determine;

- 2.1.2. Organizing a publication of information about auction conducting (or cancelling);
- 2.1.3. Provides preparation, print and spreading of catalog for horses that exposed to auction;
- 2.1.4. Organizing sales of participants cards, participants registration, ensures confidentiality of information about persons who have applied to participate in the auction;
- 2.1.5. Checks the accuracy of the participants documents;
- 2.1.6. Decides on the admission of members to participate in the auction or refuse admission on the grounds established by this Regulation;
- 2.1.7. Determines the auctioneer for the auction;
- 2.1.8. Determines the auction winner and prepares reports on the auction results;
- 2.1.9. Organizes a review and demonstration of horses offered at auction;
- 2.1.10. Arranges cash management services for auction participants;
- 2.1.11. Exercise other powers determined by this Regulation;
- 2.2. On behalf of auction organizer authority on conducting and organizing of auction are laid on auction committee; (appendix №3)
- 2.3. Decisions about cancelling of auction are made by organizer. Participants shall be notified not later than five working days after decision. In this case, money are to be returned during seven working days after decision.

### **3. Participants(buyers)**

- 3.1. To participate in the auction buy have to buy a membership card and fill application for participation in the auction (Appendix № 1).

Participant cards can be bought or order from this address: Cherkaska oblast., c. Zhashkiv, str Artema 5, "Zhashkiv stud farm".

- 3.2. Participants have to provide following information in application:
  - 3.2.1. Legal persons - the name, address, EDRPOU code, information about the head;
  - 3.2.2. Individuals – full name, place of residence, serial number of passport or other document certifying the person identification number.
- 3.3. When you purchase a participant card a document must be presented which can provide identity and authority.
- 3.4. Participant card cost – 400 UAH.
- 3.5. All participant cards are registered by organizer on the day of the auction in a special journal indicating the card number and details of the participants.
- 3.6. Purchased card indicates agreement with all participants of the auction with conditions set forth in this Regulation, and the commitment of participants to strictly adhere to them.
- 3.7. To participate in the auction membership card is presented for registration and document identifying the person and her authority.
- 3.8. Status of auction participant is acquired from moment of registry.
- 3.9. A person can be denied participation in case of:
  - 3.9.1. Filing incapacitated individual or entity, whose capacity cannot be established on the basis of submitted documents;
  - 3.9.2. Membership cards submitted for registration without documents of identity and its authority;
  - 3.9.3. To participate as a bidder a person arrived not authorized to do so.
- 3.10. The person, who won the auction, must immediately after the auction sign a protocol on the results of the auction (Appendix № 2) and a contract of sale.

## 4. The order of the auction

4.1. The auction is held on the day, time and place as determined by the organizer.

4.2. The auction is conducted in the following order:

4.2.1. Auction announces open and led by auctioneer;

4.2.2. Before the auction sale of first lot, auctioneer declares the auction procedures and checks all bidders for participant cards;

4.2.3. The auction begins with the announcement by auctioneer of names (nicknames), the main features and starting price of lot number 1, and the auction step;

Step of bid does not change throughout the auction and set in following amounts:

Lots starting price(euro)	Step of bid
10000-15000	500
15000-20000	1000
20000-40000	2000
40000-70000	3000
70000-100000	5000
More then 100000	10000

4.2.4. After the auctioneer announces starting price of each lot and all following prices participants raise their participant card in case they agreed to purchase this lot at price that was announced price;

4.2.5. Each following price auctioneer determines by increasing the current price with bid step price. After announcement of following price the bidder calls the participant which raised his participant card first and calls his participant number. Then auctioneer announces next price accordingly. If after triple announcement of price none of the participants raised their card, auctioneer strikes his hammer and

bid ends. The winner of the bid is a participant whose participant cards number was named last by auctioneer;

4.2.6. In the absence of participants wishing to purchase a lot for the price, the said auctioneer, auctioneer repeats the price three times. If after three times starting price announcement none of the participants raised their card an auctioneer strike hammer and takes lot off the auction. An auction sale of this lot is completed. By the end of this auction lot may be put up for sale again;

4.2.7. Upon completion of this auction lot auctioneer announces the sale of the lot, calls the price of sold lot and participant number of the auction winner;

4.2.8. Auction committee has the right, without explanation, to withdraw from auction any lot prior to the announcement of the winner of this auction Lot. In this case the auctioneer at the request of the chairman of the auction committee reports that the unit, with a corresponding number removed from the auction;

4.3. The auction of each lot is held in the same order as the first lot;

4.4. After all bids are finished auctioneer declares the auction closed;

4.5. All disputes arising in the course of the auction shall be settled by the auction committee, whose decision is final. Procedure by which auction committee make their decision established by the regulations about it;

## **5. Registration auction results and signing documents**

5.1. The results of the auction are made by the auction committee for each Lot separately immediately after the auctioneer's announcement of auction results for this Lot.

The auction results for each of the lots sold are issued in a separate protocol signed by the organizer of the auction, the auctioneer and the auction winner for this Lot. Protocol on the auction result for each Lot sold made in two copies (one - for the winner, the second - for the organizer)

immediately after the announcement of the results of the auction by auctioneer under this Lot. Protocol indicates:

- 5.1.1. Lots number;
  - 5.1.2. name (name) of the winner and his details;
  - 5.1.3. Price for which this lot was sold;
- 5.2. Protocol on the auction results (Appendix № 2) form the basis of the contract of sale for the winner of lot on the conditions stipulated in the contract of sale;
- 5.3. Contract of sale is signed by the winner of the lot after signing the protocol on the results of the auction for this Lot;
- 5.4. The consequences of failure by the winner to sign the report and the contract defined by the legislation of Ukraine.

## **6. Settlements of the parties**

- 6.1. For means of payment an organizer provides functioning at auction cash center;
- 6.2. Payment for the purchased lot can be done in cash, bank card or bank transfer;
- 6.3. In the absence of means of payment for the lot purchased on the day of the auction, the winner, under contract of sale provides a written warranty for paying money for purchased lot within 7 working days after signing the protocol.

## **7. Recognition of this auction as failed and force majeure situations**

- 7.1. Auction is recognized to have failed on each Lot separately if:
- 7.1.1. None of the bidders after triple announcement of lot's starting price raised membership card;
  - 7.1.2. Winner of the auction evaded signing the protocol and the contract of sale.
- 7.2. In the event that the auction for a particular Lot was announced as failed, the auction organizer has the right to announce of the re-bidding auction for this Lot or reduce the price of the lot.
- 7.3. The parties shall be deemed as not liable for partial or full default of obligations under these Regulations, if failure occurred as a result of force majeure or an emergency that couldn't be neither predicted nor prevented by reasonable measures.

Such extraordinary circumstances are floods, fires, natural disasters, earthquakes, war and military actions, blockade, strikes, acts or actions of state agencies, the inability to represent the lot at auction (death of a horse).

On the occurrence of force majeure, the parties shall inform each other within three days after the date of such circumstances (except when these circumstances are obvious to all parties).

Late notice deprives the party entitled to refer to these circumstances.

Director

“Zhashkov stud farm” Ltd

Mykoluk M.V.