

**BODÓ GALÉRIA Zrt.**  
**H-1055 BUDAPEST, FALK MIKSA UTCA 24-26.**

**GENERAL AUCTION TERMS AND CONDITIONS**

**I. Interpretative provisions**

1. **Auction House:** **BODÓ GALÉRIA Kereskedelmi és Szolgáltató Zártkörűen Működő Részvénytársaság /Private Company Limited by Shares/** (registered office: H-1055 Budapest, Falk Miksa utca 24-26.; company registration number: 01-10-048656; VAT number: 25413870-2-41; represented by: János Bodó, Chief Executive Officer) as a legal entity engaged in the organisation of auctions as ordinary business activity, which organises, arranges and manages auctions on behalf of the Vendors.
2. **Auction buyer:** the person or organisation who/which wishes to make or makes a bid for an auction item in person or through their/its representative with auction dial or as an absent auction buyer as provided in Chapter IV of these General Auction Terms and Conditions.
3. **Buyer:** the Auction buyer with whom the sales contract is entered.
4. **Hammer price:** The price established as a result of accepting the bid of the Auction buyer who made the highest bid for a given item and of confirming such acceptance by means of a strike, which is not equivalent with the full purchase price specified herein.
5. **Full purchase price:** the total amount which includes the hammer price and the auction commission, as well as any other tax or contribution payable under applicable laws.
6. **Vendor:** the owner of auction objects/items or the person/entity eligible to sell them.
7. **Auction item:** an object or group of objects considered to be suitable for auctions by the Auction House that can be also subjected to an independent bid in the auction.

**II. Auction items, Auction Catalogue**

1. The Auction House publishes an auction catalogue (hereinafter: 'Catalogue') with the auction items. The Auction items can be also viewed at the exhibition which precedes the auction. The descriptions and illustrations placed in the Catalogue serve for identification purposes only. The descriptions in the Catalogue are based on subjective expert opinions. The Catalogue underlines only those defects and deficiencies of the Auction items which may significantly decrease value of the given auction item. It is the Buyers' sole responsibility to ascertain about the condition of the Auction items prior to the auction and whether they are in line with the descriptions provided in the Catalogue.
2. The Catalogues of the Auction House are made available at the venue of and during the exhibition, as well as at the venue of and during the auction. The Auction House reserves the right to postpone the auctioning of specific items presented in the Catalogue, to change the starting prices, descriptions in the same or the order of subjecting the specific items to bid, as well as to withdraw the auctioning of the specific items listed in the Catalogue. In these cases, no damage claims or any other type of claims may be enforced against the Auction House. With regard to this fact and the characteristics of the auction items subject to auction (new or used item, its age etc.), the Auction House assumes no liability for any defect or deficiency of the auction items; the Auction buyers shall not have the right to enforce any warranty claims against the Auction House in connection with the defects of auction items after the auction.

**BODÓ GALÉRIA Zrt.**  
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**III. Participation in auctions**

1. Participation in the auction in person is possible only with an auction dial registered prior to the auction with the following data: name, address, e-mail address and phone number. The auction dial may be handed over to the person whose name, address, e-mail address and phone number have been registered. The use of the auction dial and the receipt of the Auction terms and conditions mean an implicit conduct that the Auction buyer has learned the Auction terms and conditions and accepts them as binding.

**IV. Absent Auction Buyer**

1. If the Auction buyer opt for not being personally present in the auction, then the Auction House, based on the given purchase order, places the bids on behalf of the absent Auction buyer (principal). The Auction House accepts purchase orders during the exhibition. Please deliver your purchase orders to the registered office of the Auction House not later than 24 hours before the start time of the auction or using the [info@bodogaleria.hu](mailto:info@bodogaleria.hu) e-mail address.
2. The acceptance of a purchase order requires the payment of a 20% advance (the amount is considered as paid when credited to the bank account of the Auction House), to be repaid in the event of an unsuccessful bid. If the purchase order proves to be successful (the sales contract is entered with the absent Auction buyer as Buyer with regard to the Auction item), the amount of the advance – but not more than 20% of the Full price – qualifies as a deposit, and shall be counted in the purchase price if the sales contract is fulfilled. In other respects (deposit, payment deadline of the purchase price, handover of the Auction item etc.) the rules applicable to the Buyer present in person shall apply to the absent Auction buyer, as well. The Auction House may deviate from the advance in a separate agreement.
3. It is also possible to hold auctions by phone. In this case a bank guarantee is required. If the called party proves to be unavailable for any reason, the Auction House assumes no liability for any telecommunication problem which may occur. In the event of orders submitted with the same amount, the order received the earliest is preferred.
4. The deadline of applying for an auction held by phone is 12:00 on the day of auction. The payment of the advance specified in Section 2 of Chapter IV means a precondition for accepting the application.
5. If the Auction buyer pays the amount of the deposit or the purchase price by means of a bank transfer, the given amount must be transferred to the **bank account held at MKB Bank under bank account no. 10300002-10703209-49020016 /IBAN: HU94 1030 0002 1070 3209 4902 0016/**. It is also possible to pay the purchase price in EUR or USD. In this case, the basis of settlement is the central rate applied by the Central Bank of Hungary ('MNB') valid on the date of payment.
6. In cases where the Vendor and the winning bidder are the same, no sales contract is established and the deposit must be repaid; however, the bidder is required to pay the brokerage fee as provided above to the Auction House.

**V. The Auction**

1. The auction process is managed by the auctioneer on behalf of the Auction House. It is the auctioneer who has the right to decide upon any issue arising during the auction, and against

# BODÓ GALÉRIA Zrt.

H-1055 BUDAPEST, FALK MIKSA UTCA 24-26.

whose decisions no complaint or appeal may be made in any case. The auctioneer shall be responsible for the orderliness of the auction. For this purpose, the auctioneer shall be entitled to take any measures, give any instructions to maintain the orderliness of the auction, or – if necessary – to restore it. In the case of a person who disturbs the orderliness of the auction when held, the auctioneer shall have the right to remove such person from the given auction.

2. The auctioneer briefly presents the Auction items by word of mouth (as a general rule, in the order used in the Catalogue) and also announces the starting price – which may not exceed the lower estimated value –, while the Auction buyers make their bids by holding up the numbered auction dial with its full side directed to the auctioneer in a manner that the number is clearly visible thereon. If multiple bids are received for the same starting price, the auctioneer increases the price by the increments until only one better remains and the highest bid is accepted with regard to the hammer price, and until the sale is finally performed. Therefore, the right to purchase is acquired by the Auction buyer with the strike who makes the highest valid bid, except if the Hungarian state exercises its preemptive right granted in Act LXIV of 2001 on the Protection of Cultural Heritage (hereinafter: 'Cultural Heritage Act') in the case of a protected object. The items may not be purchased at a price lower than the starting price.
3. The first bid must be equivalent with the starting price of the given auction item. The further bids are developed according to the increments as follows:

The last bid	Amount of increase (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 50,000,000	1,000,000
From 50,000,000 to 100,000,000	2,000,000

4. Any conduct is strictly prohibited which aims at the fraudulent manipulation of the auction, the bidding process or the hammer price or at the circumvention of the Auction terms and conditions. Furthermore, any cooperation or attempt is strictly prohibited which aims to convince third persons to make bids that far exceed the market price, thereby causing damage to third persons.
5. If the person of the buyer cannot be determined for any reason during the auction or afterwards – or it is doubtful –, then the auctioning of the auction item may be re-commenced.
6. The auction item already sold in the auction may not be returned by the Buyer, and it may not be repeatedly subjected to a bidding in the same auction either. The Auction buyers shall be entitled to request the re-auctioning of the auction items that were not sold at the end of the given auction. If the Buyer of a given auction item cannot be found or fails to contact for the item, then the Auction item concerned may be repeatedly subjected to an auction.
7. The Auction Buyer who made the highest bid (finally accepted with a strike), but failed to fully pay the deposit or the purchase price by the given deadline, and/or breached any of the other

**BODÓ GALÉRIA Zrt.**  
**H-1055 BUDAPEST, FALK MIKSA UTCA 24-26.**

obligations provided in the Auction terms and conditions, may be banned from participating in future auction (auctions) or its participation as bidder may be made conditional upon the provision of a financial collateral. This provision applies also to the representative of the Auction buyer and the Auction buyer he/she represents, and in this case the Auction House is not required to investigate whether such failure occurred for a reason attributable to the representative or the buyer represented.

8. The currency used in the auctioning and the development of the purchase price is the forint (HUF). However, the Auction House shall have the right to publish the starting price also in EUR and USD – for information purposes –, as well as shall be entitled to enable the payment of the purchase price in EUR at the exchange rate valid on the date of the auction.
9. The Auction House assumes no liability to ensure the auctioning of the same auction item at the same price subsequently.

**VI. Payment of the purchase price, establishment of the sales contract**

1. The Buyer acquires the ownership of the auction item if he/she has fully paid the purchase price and has taken over the auction item from the Auction House.
2. The amount of the purchase price shall mean the hammer price and the auction commission altogether.
3. Upon his/her choice, the Buyer shall pay either the Full purchase price or at least 20% of the same as deposit in cash or by bank card to the Auction House, immediately. The Auction House makes it available for the Buyer to settle the part of the purchase price exceeding the deposit within 20 (twenty) business days from the date of the auction at the registered office of the Auction House (H-1055 Budapest, Falk Miksa utca 24-26.) or by means of bank transfer. In this case, the auction buyer shall be entitled to take over the object only if he/she has managed to pay the full purchase price within 20 business days from the date of the auction.
4. In the event of a payment by deadline, the amount of the deposit shall be calculated into the purchase price. If the Buyer rejects to sign the 'receipt of strike' or to pay the deposit, or fails to pay the Full purchase price, then the Auction House shall have the right to withdraw from the sale. In the event of a withdrawal, the deposit provided by the Buyer will not be repaid. If the Auction House does not withdraw from the sale, then it shall be entitled to claim default interest as provided in the Hungarian Civil Code.
5. In the case of a successful auction, the Auction House shall become entitled to auction commission, the amount of which is normally 20% of the hammer price, payable by the Buyer.
6. The specific provisions applicable to cultural goods designated for protection are provided in Sections 51–53 of the Cultural Heritage Act. The owner (holder) of the cultural goods designated for protection shall maintain the integrity of such goods, as well as shall ensure their safeguarding, professional treatment and protection. The owner (holder) shall report any change to the data concerning the cultural goods designated for protection – as provided in Section 73(b)-(d) of the Cultural Heritage Act – without delay, but at least within 8 days from the date when he/she became aware of any such change.

# **BODÓ GALÉRIA Zrt.**

**H-1055 BUDAPEST, FALK MIKSA UTCA 24-26.**

7. The cultural goods designated for protection – or those which qualify as protected under the Cultural Heritage Act – may be taken out of the country in possession of the relevant authority's temporary permission (with the obligation to return them).
8. The sales contract between the Auction buyer who makes the highest bid and the Auction House – along with the supplements specified in Sections VI.10 and VI.11 – is established by means of the strike and the issue of the 'receipt of strike'. The Buyer acquires the ownership of the auction item if he/she has fully paid the purchase price, and has taken over the auction item from the Auction House.
9. Pursuant to Section 51(1) of the Cultural Heritage Act, the ownership of cultural goods designated for protection (listed in the Catalogue with the indication 'protected') may be transferred solely under a written contract. The written contract is entered right after the auction concerned.
10. Any changes to the data concerning the cultural goods designated for protection – those contained in the decision on the designation for protection, i.e. the owner's name and address; the location where the protected object is kept – shall be immediately reported to the National Office of Cultural Heritage by the owner, but at least within 8 days from the date when the owner became aware of any such change. The Auction House shall also report the transfer of cultural goods designated for protection in a commercial transaction, in particular in an auction.
11. Pursuant to Section 86 of the Cultural Heritage Act, the Hungarian State shall have a preemptive right with regard to the elements of the cultural heritage designated for protection, in observation of the exceptions specified by the law.

## **VII. Transport of the auction item**

1. If the Buyer has paid the Full purchase price, then the Auction item may be taken over at the place of the auction.
2. Following the payment of the purchase price, the Buyer shall arrange for the transport of the object purchased at his/her own expense and risk. The Auction House is not required to provide safe packaging for the artwork, and ensures special packaging only at the Buyer's expense. In the event if the Buyer fails to transport the item, the Auction House shall not be held liable for any damage to the object or the loss of the same, and will charge a monthly storage fee of 5% (of the purchase price) from the 20<sup>th</sup> day of the payment date of the purchase price. The storage fee shall become due when the artwork is handed over.

## **VIII. Liability**

1. The Auction buyers shall not have the right to enforce any warranty claims against the Auction House in connection with the defects of auction items after the auction.
2. The Auction House assumes liability for the authenticity of the artworks sold in the auctions. Within 30 days from the date when he/she became aware of the first well-founded doubt relating to the authenticity of the artwork purchased – but within the 3-year limitation period at the latest, also in observation of the fact that the Buyer may perform or have performed the authenticity test on the artwork –, the Buyer shall contact the Auction House in writing, by indicating the date of the auction concerned along with the item number of the object contained in the Catalogue or any other relevant data that can be used for identifying the specific item, as well as the reasons based on which the Buyer doubts the authenticity of the artwork.

# **BODÓ GALÉRIA Zrt.**

**H-1055 BUDAPEST, FALK MIKSA UTCA 24-26.**

3. In the event if the two experts recognised in the given field and mutually accepted by both the Auction House and the Buyer, in their written opinion, unanimously find that the artwork is not authentic, the Auction House – in the scope of restoring the original state – undertakes to refund the purchase price of the artwork to the Buyer, if the Buyer provides the ownership of the artwork free of any encumbrances, transferred to the Auction House free of any liens. If any damage can be detected on the artwork to be returned, then the Auction House shall be entitled to calculate into the refundable purchase price the amount of such damage determined by the Auction House. If any claim arises in connection with and/or concerning the artwork against the owner/holder of the same from the side of any third person on any grounds, the Auction House shall be entitled to suspend the procedure aimed to restore the original state.
4. The Buyer shall pay in advance and bear the justified costs of expert procedures relating to the authenticity and/or the damage to or loss in value of the artwork, unless the expert opinions find that the artwork concerned is a counterfeit. If the Buyer wishes to involve a foreign expert in the case of an artwork of foreign origin, the person of such expert shall be decided upon jointly by the parties. The Buyer shall pay in advance any cost in advance that can be foreseen in relation to the examination to be performed abroad and/or by a foreign expert in Hungary, and shall also bear any such cost if the object is found to be authentic. This provision applies also to the authentication of foreign documents (expert opinions) with regard to the payment of the corresponding advance amounts and the bearing of the same. The Auction House shall inform the Buyer about the expected costs without taking any obligation. The payment of advance amounts and the bearing of such amounts follow the currency used for the payment of the actual costs. No auction item may be considered as a counterfeit due to the fact that it has been restored.
5. The Buyer shall not be entitled to claim the readmission of the artwork which proved to be a counterfeit from the Auction House, if
  - the corresponding description in the Catalogue was in line with the generally accepted expert opinions at the time of the auction, or the differences between the expert opinions were mentioned in the Catalogue;
  - the only method used for determining that the artwork is a counterfeit was not generally accepted or such method was not known upon the publication of the Catalogue, or the performance of the examination would have resulted in damage to the artwork, or the costs of the examination would have reached or would have exceeded the estimated value of the artwork determined by the Auction House.
6. The Auction House undertakes to take back the object sold from the complainant against the hammer price and the auction brokerage fee within 5 years from the conclusion of the sales contract, if an independent forensic expert – accepted by both parties – credibly finds that the artwork concerned is not authentic.
7. The prices indicated in the Catalogue in EUR serve for information purposes only. The basis of settlement is the exchange rate valid on the payment date of the purchase price in every case.

## **IX. Privacy**

1. The Auction House will not make accessible the personal data (name, address) of the Auction buyers to third persons, and may not disclose them either. The Auction House shall delete the recorded personal data from its records without delay following the auction, except for the data

**BODÓ GALÉRIA Zrt.**  
**H-1055 BUDAPEST, FALK MIKSA UTCA 24-26.**

of the Buyer who actually purchased the given auction object, if such data is necessary for the performance of the sales contract or is otherwise required by the law.

**X. Miscellaneous Provisions**

1. For the issues not addressed in the Auction terms and conditions the Hungarian laws in force shall prevail. Should any of the Auction terms and conditions become invalid or null and void as a result of a legislative change, then the provision concerned shall be automatically replaced with the new legislative provision. For any dispute the parties stipulate Hungarian jurisdiction. The concerned parties agree that the Auction terms and conditions reflect the essential content of the sales contract even without the separate declaration of either party.
2. The rules of taking cultural goods abroad are provided in Act LXIV of 2001. Cultural goods may be definitively taken out of the country only with the permission of the National Office of Cultural Heritage. If requested, the Auction House gives information on which company can provide assistance in taking artworks abroad (authorisation, packaging, customs formalities, transport).

Budapest, 12 February 2018

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Repr. by: János Bodó  
Chief Executive Officer