

GENERAL AUCTION TERMS AND CONDITIONS

1. AUCTION SALES

Faraone Casa d'Aste S.r.l. (hereinafter "Faraone") conducts auction sales of property solely under these general terms and conditions (hereinafter the "General Terms and Conditions"). Any general terms and conditions applied by customers will, therefore, not be considered applicable or effective.

Auction sales of property grouped into lots are held in premises open to the public. Sales are made to the highest bidder for cash.

Faraone acts as an agent in its name and on behalf of the owners of the property put up for sale, pursuant to and in accordance with art. 1704 of the Italian Civil Code. Sales are deemed concluded between the seller and the buyer. It follows that Faraone does not take any responsibility towards the buyer or third parties, other than its responsibility as an agent. Any responsibilities pursuant to art. 1476 and ensuing articles of the Italian Civil Code continue to rest on the owners of the property. The hammer stroke by the Auctioneer marks the completion of the sales agreement between the seller and the buyer.

2. LOTS PUT UP FOR SALE - STATE OF PRESERVATION

Lots are sold "as is". Descriptions and illustrations contained in the catalogues, on the website or in any other illustrative material, are purely statements of opinion and are not to be relied on by the buyer. Parties interested may view the lots by appointment a few weeks before the auction, or in a public exhibit a few days before the auction, in order to assess the authenticity, attribution, state of preservation, provenance, type and quality, and defects if any of the items put up for sale, and to clarify any discrepancies with the catalogue. The potential buyer of a lot acknowledges having had the opportunity of thoroughly examining the lot, including with the assistance of a trusted expert, to assess all its characteristics. Condition reports may be requested to complement catalogue information.

Lots put up for auction are sold in the condition they were found at the time of the exhibit, with possible flaws or imperfections such as cracks, restoration, omissions or substitutions, including non-original ones. Such interventions cannot be considered in any case hidden defects or fakes, as no implied or express warranty is provided on the lots put up for auction. These characteristics, while not expressly stated in the catalogue, cannot be considered, however, determinants for disputes on the sale. Movements of timepieces are to be considered as unserved.

Information regarding the marking of metals, carats and weight of gold, diamonds and colored precious stones, is to be considered approximate and mere statements of opinion. Faraone, therefore, cannot be held responsible for any errors included in such information or for cases of forgery of the precious items. Faraone does not guarantee any certificate from independent gemological laboratories attached to the precious items. However, reference to the results of these tests may be made as information to buyers.

Disputes to the above after knock down are not

allowed. Neither Faraone nor the seller can be held responsible for erroneous information on the items put up for auction.

Lots put up for sale are to be considered as second-hand property provided as antiques. As such, they are not classified as "product", under the definition of art. 3, lett. e) of Legislative Decree no. 206 of 06/09/2005 (Consumer Code).

3. CLAIMS

Faraone will consider only those claims regarding disputes over the authenticity of lots, the existence of serious flaws or hidden defects and/or non-conformity of lots purchased to those described in the auction catalogue and available for pre-auction viewing. In this connection, defects that the buyer should have been aware of at the time of purchase will not be considered defects of conformity as the buyer, having had the opportunity to view the lot in the catalogue or during its display prior to sale, could not have failed to observe them making use of ordinary diligence.

Claims are to be sent by registered letter with return receipt within 15 (fifteen) calendar days:

- (i) from the date of delivery of the lot following the auction, in the case of purchases by persons present in the auction room, including those represented by agents, commission agents or intermediaries;
- (ii) from the date of the receipt of the lot delivered by courier, in the case of purchases by bids via correspondence, by telephone or via the Internet.

Claims are not accepted in any case:

- (a) pertaining to flaws or defects expressly described in the catalogue and easily discernable by the photograph of the lot or during the pre-auction viewing;
- (b) pertaining to multiple lots such as collections or accumulations of any kind;
- (c) pertaining to lots explicitly described in the auction catalogue as "to be examined";
- (d) pertaining to the state of preservation of lots, the evaluation of such state being subjective and sales subject to the clause "as seen and found acceptable";
- (e) pertaining to flaws and defects attributable to the buyer's actions subsequent to delivery of the lot;
- (f) after 60 days have passed from the auction date.

Faraone will answer in writing to the claims within 60 days of receipt.

Faraone will honour claims only where the lot is judged by two independent experts named by each party as being unauthentic, affected by serious flaws or hidden defects and/or not conforming to the description in the auction catalogue. In such case, the buyer will be refunded only with the amount corresponding to the purchase and to the shipping cost. Any other compensation or reimbursement is expressly excluded, except for cases of intentional fault and serious negligence.

4. LIMITATION OF LIABILITY

Except for cases of intentional fault and serious negligence, Faraone does not take any responsibility for any damage that may arise to the

buyer, who assumes all the risks for any damage that may result from, or be related to, property purchased.

5. PARTICIPATION IN THE AUCTION

In order to access the auction room, potential buyers must request a paddle number from the Faraone staff and disclose their identity and residence, exhibiting and making a copy of their identity card and tax code. Faraone reserves the right to request information from the participants regarding their identity and bank references, as well as the right to deny undesirable elements access to the auction room. If the participant is acting in the name and on behalf of another physical or legal person, a valid power of attorney must be exhibited prior to the auction.

To participate by correspondence, telephone, or via the Internet, the participant must sign and submit the specific form at least 24 hours before the auction, thus agreeing to take part in the auction referred to, and undertakes to pay the purchase price hammered should he/she be awarded the property. Faraone will not be held in any case responsible for non-participation by correspondence or telephone, if the form is not received in due time, or is not properly completed. The participant also takes responsibility for ascertaining, after the auction, whether his/her bid has been successful, relieving Faraone of any responsibility in that respect. Claims due to negligent, unclear or erroneous completion of written bids by correspondence will not be accepted. Faraone disclaims any responsibility towards those who participate in the auction by telephone and/or via the Internet in case of failure to participate due to possible problems that may arise during or prior to the telephone and/or Internet connection.

Faraone reserves the right, at its own discretion, to request the issuing of appropriate guarantees from the participant to allow him/her to submit bids in view of an award during the auction. Furthermore, Faraone reserves the right to deny anyone, at its own discretion and in any way, access to its own premises and participation in the auction, and to reject bids from unknown or unwelcome bidders, unless a deposit covering the entire value of the desired lots is raised or in any case an adequate guarantee is supplied. After non- or late payment from a buyer, Faraone will have the right to refuse any other bid from such person or his/her representative at subsequent auctions.

Faraone reserves the right, at its own discretion, to request from the participant, in addition to the above documentation, a guarantee deposit for first participation. The deposit will be returned in case of non-awarding.

6. BIDS

Faraone is entitled to withdraw any property put up for sale. Faraone is also entitled, at the Auctioneer's sole discretion, to group or separate lots and to change the sale sequence, provided the lots are not put up for sale before the scheduled date. The Auctioneer may accept bids from participants attending in person, as well as from those

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participating by telephone, correspondence or via the Internet, provided such bids are notified before the auction in writing, under the above rules.

Bidding in the auction room is performed by raising the numbered paddle. The property is sold to the highest bidder by declaration of the Auctioneer, which corresponds to acceptance of the bid made by the participant. If two bids are submitted in writing for the same amount, only the bid first received and accepted is considered. For a bid in writing and a bid made by a party attending the auction in person having the same amount, the bid made by the party attending the auction in person prevails. For a bid submitted in writing and a telephone bid having the same amount, the telephone bid prevails.

In case of disputes on the awarding, the disputed property can be withdrawn from the sale, at the Auctioneer's sole discretion, or bidding can be reopened during the same session based on the last bid accepted.

Faraone reserves the right to reject any bids coming from, or traceable to parties who have previously failed to fulfill their payment duties, including compensation, towards Faraone.

The estimates appearing in the catalogue are stated in Euros and are purely approximate amounts. These amounts may be equal, higher or lower than the reserve prices of the lots agreed with the sellers.

7. AUCTION FEES

Added to the hammer price are auction fees, amounting to 19% up to €100,000, to 16% above €100,000 and up to €500,000, and to 13% above €500,000, plus VAT as required by law. Any additional charge or tax on the purchase is borne by the buyer.

8. SHIPMENT OF AWARDED LOTS AND PAYMENT

Awarded lots are paid by the buyer once the property is collected at Faraone premises. Collection will take place at Faraone premises at the buyer's expense, within 15 (fifteen) days from knock down. Faraone will deliver the awarded property only upon payment of the full price hammered by the Auctioneer, in addition to auction fees. At its own discretion, Faraone may ask the buyer to pay a deposit to finalize the knock down, on the same day of the auction. From knock down to collection, the property will be stored at the sole risk of the buyer.

Payment may be made in cash up to €3,000 with a bank draft made out to Faraone Casa d'Aste S.r.l., by bank transfer to the bank account announced upon knock down. In the latter case, payment will be considered performed and the lot will be delivered only once the amount is actually credited to Faraone's bank account.

If the buyer fails to collect the lots within the time limits set out above, and fails to pay the entire amount due within the time limits provided in these General Terms and Conditions or, if the buyer

appears but fails to fully or partly pay the total amount due within the time limits provided in these General Terms and Conditions, Faraone will be entitled, at its own discretion, without prejudice to any other rights and remedies of law, to: (i) terminate the purchase agreement, pursuant to art. 1456 of the Italian Civil Code, in the name and on behalf of the seller, it being understood that in such case Faraone may demand compensation from the buyer, for its own benefit and/or the benefit of the consignor, for damages that have arisen, represented in particular and without limitation, by the lower price made in a subsequent sale, by fees, expenses and charges, including legal costs borne, etc.; or to (ii) bring judicial action, in its capacity as collection agent of the seller, in order to enforce the purchase obligation and payment of the purchase price, plus interest, expenses, charges and legal costs required to seek enforcement of the purchase agreement. In the event of termination of the agreement, Faraone, at its own discretion, may decide whether to return the property to the seller, demanding, as a penalty from the non-buyer, payment of lost commissions, or sell the lot privately or in subsequent auctions on behalf and at the expense of the buyer, pursuant to art. 1515 of the Italian Civil Code, with the right, in any case, to compensation for damages.

After the abovementioned time limits, Faraone will not be held responsible towards the defaulting buyer for any deterioration or damage of the item(s) in question, and it will have the right to apply, to each lot, storage fees and any refund of costs for transportation to the warehouse, as per the tariffs available on request. All and any risks for loss or damage of the awarded property are transferred to the buyer upon knock down. The buyer may have the purchased property delivered only upon payment to Faraone of the price and of any other relating commission, cost or refund.

9. SALE WITH RETENTION OF TITLE

Lots are sold with retention of title, pursuant to art. 1523 of the Italian Civil Code. Therefore, the buyer will not acquire title to the lots until full payment of the purchase price and the auction fees. The risk of deterioration or damage of the lots will be transferred to the buyer upon delivery of the lots. The lots will be delivered only upon full payment of the price due by the buyer.

10. JURISDICTION

These Sales Terms and Conditions, governed by Italian law, are tacitly accepted by all the participants in the auction, and are made available to any person upon request. All disputes regarding auction sales at Faraone are referred to the exclusive jurisdiction of the Court of Milan.

11. PRIVACY

Under art. 13 of Legislative Decree no. 196/2003 (Data Protection Code), as data controller, Faraone informs that the data provided will be used, through print and electronic media, to fully execute the purchase agreements entered into by the company, and all other services related to the corporate object of Faraone Casa d'Aste S.r.l.. Provision of data is optional, but is mandatory for the execution of the agreements entered into. Auction registration

allows Faraone to send the catalogues regarding subsequent auctions and other informative material concerning its activities.

At its sole discretion, Faraone reserves the right to record auction sessions in any form, and to record telephone connections.

12. NOTICES

Any notices regarding the auction sale are made by registered letter with return receipt addressed to

FARAONE CASA D'ASTE S.R.L.
Via Montenapoleone, 9 - 20121 Milano

13. DISCLAIMER CONCERNING THE SALES TERMS AND CONDITIONS CONTAINED IN CATALOGUES

The Sales Terms and Conditions, information and catalogue texts in a language other than Italian, are for the sake of convenience only and shall in no way be considered binding. Faraone does not take any responsibility for the correctness of these translations.

14. CODE OF CULTURAL HERITAGE

For items subject to notification from the State, pursuant to Legislative Decree no. 42 of 22.01.2004 (Code of Cultural Heritage) and ensuing amendments, buyers are required to comply with all the prevailing laws on the matter.

Should the State exercise its pre-emptive right, the buyer cannot expect from Faraone or the seller any reimbursement of interest on the price or on auction fees already paid.

The export of items by buyers both resident and not resident in Italy is governed by the above mentioned law and by other customs, currency and tax rules in force. Export of items that are more than 50 years old is, therefore, subject to the release of an export license from the competent Authority. Faraone does not take any responsibility towards the buyer as for any possible export restriction of the items knocked down, nor concerning any possible license or certificate to be obtained according to the Italian law.

15. MISCELLANEOUS

Should one or more clauses of these Terms and Conditions be or become ineffective or invalid for any reason whatsoever, such ineffectiveness or invalidity will not affect the legal effectiveness of the remaining provisions. The ineffective or invalid provisions will be replaced by provisions that can best preserve the rationale of the invalid provision. Any change or addition to these Sales Terms and Conditions is deemed void unless made in writing.