

## BLOODSTOCK SOUTH AFRICA'S CREDIT GUIDELINES AND POLICY

- All transactions to comply with BSA's Code of Conduct and Conditions of Sale and Purchase
- Except for Platinum Card holders, all other buyers must apply or reapply for a buyer's card at every sale.
- Only buyers with a valid BSA buyer's card may bid at a BSA auction.
- New buyers must apply for a buyer's card by providing BSA with a standard application form at least **seven days** BEFORE an auction. BSA reserves the right to request any other information it may need to issue a buyers card or extend any credit facilities.
- Buyers who do not have pre-arranged credit facilities must pay the full purchase price on the day of the auction BEFORE any bloodstock will be released.
- No buyer's card will be issued to any buyer with debt still outstanding, including interest, legal fees and insurance, from a previous sale.
- No buyer who has materially breached any condition in the BSA Conditions of Sale and Purchase shall be entitled to a buyer's card at future sales of BSA.
- The buyer's card facility of any buyer, who generally and/or habitually pays his/her account late, will be suspended.
- No "Change of Ownership" document for horses purchased will be issued by BSA to buyers, where any amount of debt, including interest, legal fees and insurance, is still outstanding.
- Foreign buyers will all be subject to the requirements of BSA's credit policy and guidelines. To qualify for any travel incentive, the conditions as set out in BSA's "foreign buyer travel incentive" must be adhered to.
- Foreign buyers must make the necessary arrangements as will be required by BSA, prior to the sale, with BSA before a buyer's card will be issued.
- When an agent or trainer purchases on behalf of another party, he must first obtain an authorization form, as well as a buyer's card in the name of that party. Failing this, **the agent or trainer will be fully responsible for payment** and/or any other risk which may occur from such a transaction.
- If a vendor agrees to advance extended payment terms to a buyer at any stage of a sale concluded by BSA, the transaction will automatically become a "direct payment" (DP) and the sales charges due to BSA become payable immediately.
- All horses purchased on terms must be insured for at least 90 days at the cost of the buyer before leaving the sales premises. If the buyer's insurance broker does not confirm the cover after the sale, BSA will automatically insure the horse with it's broker for the account of the buyer.
- Any vendor, who elects to make a transaction a Direct Payment (DP), automatically absolves BSA of all responsibility in respect of such transaction and any outstanding insurance or other charges will be recouped from such vendor.
- All cash sums paid to BSA are subject to the FICA (the Financial Intelligence Centre Act) rules and substantial amounts will have to be reported to the authorities.
- BSA's Credit terms (Only apply to buyers with pre-arranged credit facilities):
  - The debtor and responsible person is the person whose buyer's card was presented at the sale and who signed for the purchase on the Vendor Roll.
  - Except for Platinum Card Holders, **full** payment is due within **21** days after date of sale.
  - After **21** days, interest at the amount of two percent per month automatically becomes payable on any outstanding balances. This interest is **not refundable** and **cannot be waived** by the Seller/Vendor.
  - At **45** days, any remaining debt, which will include interest as set out above, will be "handed over for collection" and any additional costs to recover such debt will be for the account of the Buyer.
  - BSA reserves the right to cancel any sale and to repossess any unpaid horses at any time after 21 days. Such repossessed horses will be resold and any shortfall will be for the defaulter's account.
  - If a Vendor chooses that a late payer becomes a direct payment (DP) at any stage, he will be responsible for the payment of any collection cost, including legal fees, already incurred.