

THE BERTHON SERVICE

In a challenging market, deciding which broker will handle the sale of your yacht is a key decision as whoever you choose will need to be nimble and effective to find a new owner for her at market value within a reasonable timespan.

A lot is talked about commission rates. These only become relevant once a buyer is found, and if the yacht remains unsold, a favourable commission rate is wholly irrelevant.

At Berthon, we aim to provide a thorough, practical and efficient service for yacht sales. We believe that there are a number of components which are necessary to succeed in the market:

1. Experience and Product Knowledge / Your Local Broker, Internationally

Berthon Sales Group brokers have all been in post for a number of years and a broker who is a specialist in their area manages each part of the market. The Team is the glue that holds the business together; so whether you are selling a racing yacht in Newport, Rhode Island, a bluewater mile muncher in Spain, a motor yacht in Scandinavia or a yacht that is handled by us anywhere in the world, you will receive our total support and commitment to achieve a positive result.

Through our four sales offices – Berthon HQ in Lymington (UK), Berthon Scandinavia in Henån, Berthon Spain in Palma, and Berthon USA in Rhode Island – we provide truly local service across all major territories. Our teams collaborate closely across regions, ensuring our clients receive seamless, knowledgeable support wherever they are. Our fifth office is Berthon Spain Service, and can be found in STP in Mallorca. From here we offer maintenance and refit support to all our clients sailing in the Mediterranean.

2. Co-operation

We are members of the YBDSA (Yacht Brokers, Designers & Surveyors Association), MYBA (The Worldwide Yachting Association formerly the Mediterranean Yacht Brokers Association) and YBAA (Yacht Brokers Association of America) and co-operate with other international brokerage houses around the world. We enjoy a strong relationship with the brokerage community with around 35% of our business generated via joint deals with other brokerage houses. Another broker bringing a client will be paid between 50% and 70% of the commission depending on the office and sale with which they are involved - so we actively encourage other brokers to bring their clients to Berthon. We write to around 60 globally-based brokerage houses monthly to update them about our central listings. We also use local agents in areas like the Eastern Mediterranean, Italy, Oceania and Asia to ensure that our service levels are maintained wherever in the world your yacht is.

3. Contract and title

Unlike an estate agent, the broker does all the contract work too. The numbers are significant and therefore accuracy and knowledge are essential. Of course we hold full PI cover, but more importantly, the Berthon sales contract is exclusively drafted for Berthon by the maritime law division of Hill Dickinson, our London-based solicitors, the MYBA contract and in the USA - the YBAA contract. These contracts are regularly updated as regulations change. We are also able to advise on VAT, RCD, flag and a myriad of other issues that arise when transacting yachts.

4. Financial security

We have separated client accounts for all yacht transactions in £, € and US\$. However, it is also comforting to know that the Berthon Sales Group is part of the Berthon Group; which has no bank debt and is a net lender. Berthon Boat Company and the other companies in the Berthon Group are successful sister companies. This financial strength also enables us to assist with currency trades and other processes of this type.

5. Preparation of Particulars

We cannot emphasize enough the importance of comprehensive and technically accurate particulars in the sales process. Yacht buyers have access to an enormous amount of choice and your yacht needs to stand out in terms of

information available and pictorial content. We are used to taking running shots of yachts to enhance particulars and sourcing photographic material to show yachts to their best advantage. Video walk throughs are an essential part of the process and we have dedicated in-house videographers and photographers who assist with this. We are also used to conducting virtual viewings as we recognise that yacht buyers are busy people and this helps them to move forward with certainty when they book travel.

6. The Web

An essential part of any modern sales organisation's marketing programme. We have a dedicated marketing team whose job it is to manage your yacht's promotion on the various external websites that we use – Yatco, YachtWorld, The Yacht Market, Rightboat and other specialist websites, including Blocket in Scandinavia. Berthon particulars are kept up to date in real time. In addition our marketing team is optimising our site continuously and maintaining our Berthon blog, and a number of targeted social media accounts. The Berthon website is heavily optimised on an ongoing basis to provide good search results, making your yacht very visible in the online market place. To keep up to date with the Berthon fleet, our market insights, yachting interviews and the latest developments in design, cruising and racing you may also like to listen to the Berthon International Podcast. Our Winter Collection is a digital offering which features Berthon listings with granular information, great imagery and video content. You can also visit our YouTube channel.

7. Magazine Advertising

Berthon has been around a long time and whilst over 55% of our yacht buyers are repeat clients or referrals, we need to continue to generate new enquiries. Magazine advertising remains a key way of accomplishing this. We consider that it is an indispensable part of any successful marketing campaign. We advertise in Yachting World, Boat International, Motorboat & Yachting, Yachting Monthly and Seahorse. We also advertise in local publications in Scandinavia, Spain and the USA. We have annual campaigns in all these covers with positional guarantees and the Berthon pages are professionally set so that your yacht looks her best. Our text, you will find, is quite original.

8. Direct Marketing

Another key part of the brokers' sales armoury. We put out a Berthon E-News monthly, featuring happenings at Berthon and news about our listings and sales, which has a circulation of around 10,000 yachtsmen. In addition, we publish a Market Report annually in soft and hard copy for our client base which is an all-encompassing review of the market from Berthon's perspective. We also produce an annual lifestyle magazine called the Berthon Book, which is fully optimised for on-line use. This publication carries all the yachts that we have for sale and the origins of this coffee table magazine still provides great coverage for the Berthon fleet. All these promotions are managed in-house and are written and put together by the Sales Team with our promotion designers, and not farmed out to a PR house, as we believe that those working in our business understand how best to bring it alive. Uniquely, the articles in the lifestyle magazine are written for us by our own clients, Berthon team members and supporters, and no stock articles ever appear.

9. Boat Shows.

These are a fact of life and a core part of the Berthon marketing strategy. In January we have a significant presence at the boot Düsseldorf show. Here we are supporting our new yacht commitments as around the world we represent Solaris Sail, Solaris Power, Pegasus, Iguana, Sealine, Rustler and Moody. However, during these events, there is always the opportunity to discuss our brokerage fleet. Berthon also participates in the Palma Yacht Show and Palma Superyacht Show annually which is the main brokerage show for larger sailing and motor yachts in the Mediterranean, as well as attending a number of shows around the world. We show at Cannes, Annapolis, Öppet Varv and Stockholm.

10. Events & Sponsorship.

At Berthon we recognise that profile is important, and we therefore, support events like the World Cruising Club's Atlantic Rally for Cruisers and we host the Bluewater Weekend at Berthon annually with our friends at World Cruising.

We also work with World Cruising at other bluewater events in the Mediterranean, Sweden, on the East Coast of the USA and elsewhere. We also support the Ocean Cruising Club. These promotions emphasize our commitment to the various market sectors in which we specialise. This increases our marketing reach whilst putting something back into these events. Our Performance Yacht Broker is present at major yachting regattas every year.

11. Customer Relationship Management.

At Berthon, we have a custom built data handling system called BOB which holds all the information about the yachts that we have for sale and the yacht buyers with whom we are working. This enables us to match suitable yachts to clients and to keep them updated about your yacht, which is an invaluable tool for our brokers. We can also catalogue marketing activity so that every yacht has a complete sales profile being built on her all the time. Berthon owns the software and intellectual property rights to this system, and the software developers that we work with help us to refine and update it regularly.

12. Market Information.

We consider that the sale of your yacht is a voyage that we undertake with you as the owner. We will therefore be in touch regularly to update you on where we have got to with the sale, to discuss market conditions with you and to assess how she is being received in the market. In this way you are in a position to make an informed decision when an offer is made for your yacht.

These components provide a proactive platform for the sale of your yacht. We prefer to do the job thoroughly and charge a proper commission rather than charge less, and reduce the level of service offered. In our view, in a competitive market it is important to have every weapon possible available in your sales armoury. We are committed to continuing to provide this level of service and we are looking constantly at ways of improving it. This is why Berthon works on normal international commission rates.

Once we have found a buyer, we conduct the sale on your behalf. We are members of the YBDSA (Yacht Brokers, Designers & Surveyors Association) and MYBA (The Worldwide Yachting Association formerly the Mediterranean Yacht Brokers Association). Our American brokers hold Florida Yacht Broker Licenses and are members of YBAA, Sail Newport, US Sailing, New York Yacht Club, Conanicut Yacht Club and Rhode Island Marine Trades Association. Hill Dickinson in London has drafted all Berthon documentation for us.

The process works this way:

1. The Sale & Purchase Agreement is drawn and then signed by yourself and the purchaser. When we receive the deposit as stakeholders we exchange.
2. The yacht is then under offer to the purchaser.
3. The deposit may be returned to the purchaser if the yacht is not satisfactory to him after survey/sea trial.
4. All costs relating to the survey are for the purchaser, the yacht is sea trialed at your cost and under your insurance and control. Normally, the purchaser will release the survey report to you in the case of rejection after survey and sea trial.
5. After survey, the purchaser may ask to negotiate if defects are revealed. It is up to you whether you wish to do so, but if a meeting of minds is not found, the sale will be void and the deposit returned less any unpaid survey costs – if any.
6. Once the purchaser accepts the yacht following the survey and sea trial, this is confirmed in writing. The deposit becomes part payment for the yacht. If they fail to complete, the deposit is retained and split between the seller and Berthon.
7. After acceptance, we will ask you to sign a Bill of Sale and produce all the original documentation details listed in the Sale and Purchase Agreement (we will have verified them with you at listing and again when the contract is drafted, so

there are no surprises); and we will handle the transfer of clear title, running title checks, as well as settling any outstanding yard accounts or mortgages direct.

You will see that you have the option of entering into a Central Listing arrangement with Berthon. This is our preferred route. Central Listings receive priority treatment as we control all aspects of the marketing. We are delighted to work on an Open Listing arrangement but by the nature of the contract we cannot exercise the same level of control over the marketing, or guarantee the same level of services that a central listing provides.

At Berthon, our aim is to find a purchaser for your yacht promptly at market value. We work for you, using our unrivalled experience within the brokerage market.

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