

# ADDITIONAL CONDITIONS OF SALE APPLICABLE TO CRYPTOCURRENCY PAYMENTS

Effective 16 May 2022

Where designated in the Lot description or when otherwise identified by Phillips in writing, Phillips may accept payment for the Lot entirely in Ether or Bitcoin, provided the *Cryptocurrency Conditions* (below) are satisfied in full prior to the Auction. You must notify us in writing in advance of the auction if you wish to pay in full for a successful bid in cryptocurrency. Any such payment shall be subject to the terms set forth herein in addition to the terms set forth in the *Conditions of Sale for the Auction*, as well as, where applicable, the *Additional Conditions of Sale applicable to NFT Lots*.

If Phillips, in its absolute discretion, considers that any of the *Cryptocurrency Conditions* are not satisfied, winning bidders must pay the total Purchase Price of the Lot in the FIAT currency of the sale location (i.e. HK\$ for Hong Kong sales, US\$ for New York sales, GBP Sterling for London sales, CHF for Geneva sales).

## 1. Cryptocurrency Conditions

If you are the winning bidder of the Lot and wish to pay in cryptocurrency, you must have satisfied the following conditions prior to the auction:

a) **Eligible Lots:** The Lot must be designated as one for which Phillips and the seller will accept payment in one of the Accepted Cryptocurrencies.

b) **Accepted Cryptocurrencies:** Phillips can accept payments in Ether or Bitcoin. Full payment must be made in either of these cryptocurrencies. We do not accept payment in any other cryptocurrencies. We also cannot accept payments made partially in Ether and partially in Bitcoin.

c) **Digital Wallet:** The digital wallet you use to pay for the Lot must be registered in your name and maintained on one of the following platforms:

- Coinbase Custody Trust;
- Coinbase, Inc.;
- Fidelity Digital Assets Services, LLC;
- Gemini Trust Company, LLC; or
- Paxos Trust Company, LLC.

Please note we will not accept payments from self-hosted wallets or from Digital Wallets hosted on other exchange platforms.

You will be required to demonstrate to us that you have a Digital Wallet meeting our requirements and satisfy our ID and KYC checks before you make the payment.

You will also be required to demonstrate to us that you hold sufficient Ether or Bitcoin in your Digital Wallet to cover the total Purchase Price of the Lot, which includes all other associated fees such as applicable network and transaction fees required to successfully conduct the transaction on the blockchain.

If the Lot is an NFT, you must have sufficient cryptocurrency in your Digital Wallet, to cover any “gas fees” and/or “transfer fees” payable to transfer the NFT to you in addition to the total Purchase Price of the Lot. Please also note, that opening a Digital Wallet can take a week or more, depending on the service provider’s account opening requirements. If you do not have a Digital Wallet meeting the above requirements, you must pay for the Lot in the FIAT currency of the sale location.

d) **Identification and “Know Your Customer” checks:** You must provide Phillips with all information and documentation we request to verify your identity and to carry out screening and other “Know Your Customer” checks in accordance with our legal obligations. This will include making yourself available for a recorded video call with Phillips staff to verify your identity and ownership of your Digital Wallet.

e) **No exposure to legal or regulatory actions or fines:** If (i) you are resident in or otherwise subject to the laws of a country or territory which has banned or restricted payments in cryptocurrency (such as the People’s Republic of China) or (ii) other circumstances exist which would expose you or Phillips to potential legal or regulatory actions or fines by completing the transaction in cryptocurrency, Phillips may in its absolute discretion refuse to accept payment from you in cryptocurrency.

f) **Payment:** The payment must be made entirely in Ether or in Bitcoin and must be made directly from your Digital Wallet to Phillips’ Digital Wallet. We cannot accept partial payments from multiple digital wallets or payments in multiple currencies.

## 2. Representations and Warranties

If you satisfy the above Cryptocurrency Conditions and elect to pay the purchase price of the Lot in Ether or Bitcoin, you represent and warrant to us as follows:

a) you own the digital wallet and the cryptocurrency used to make the payment. If you are an individual, this means you hold the private keys associated with the Digital Wallet from which you make payment. If you are a company, the provider of the Digital Wallet must recognise the company as owning the cryptocurrency

associated with the Digital Wallet from which you are authorised to make payment;

b) neither the digital wallet nor the cryptocurrency used to make the payment is owned or controlled by a decentralized autonomous organization or corporation or otherwise shared with any other person;

c) the cryptocurrency and other assets in your digital wallet or account used to make the payment:

- (i) were not sourced from a sanctioned person or person located in a sanctioned jurisdiction;
- (ii) do not breach any sanctions, anti-money laundering, anti-terrorism, anti-bribery or anti-corruption laws, and
- (iii) are not otherwise illegal or obtained in breach of any other applicable laws.

d) the digital wallet and/or cryptocurrency used for payment is not connected with any criminal activity, including tax evasion, and you are not under investigation and have not been charged with or convicted of any offences connected with money laundering, terrorist financing, fraud or other crimes.

e) your bids on the Lot will not exceed the amount of Ether or Bitcoin you own;

f) at the time of placing your bid(s) you have calculated the amount of the Ether or Bitcoin you would need to pay and you have sufficient Ether or Bitcoin in your digital wallet to do so;

g) you alone are responsible and liable to obtain and pay the amount of Ether or Bitcoin we invoice to you;

h) you will be responsible for any income or other tax arising in relation to any transactions you pay for in cryptocurrency;

i) you will be responsible for ensuring and confirming that your payment reaches Phillips’ Digital Wallet within the required time period. Phillips will not be liable for any payment made by you that is unsuccessfully transmitted to Phillips due to a failure of the digital wallet system.

We may, in our sole discretion, refuse to accept payment in cryptocurrency from you if we reasonably determine any of your representations or warranties are, or would be as a result of such payment, inaccurate, incomplete or breached.

## 3. Amount of Cryptocurrency

You must transfer to us the exact amount of cryptocurrency we ask for.

If you have bought an NFT Lot, in addition to the total Purchase Price of the Lot (as stated on the invoice), you must pay all fees associated with the transfer of the NFT from Phillips’ digital wallet to your digital wallet and any other applicable network fees required to successfully conduct the NFT sale transaction on the blockchain.

## 4. Conversion rates

The price of Ether and Bitcoin, as with other cryptocurrencies, can be volatile and subject to upward and downward movements. You acknowledge that the conversion rate between Accepted Cryptocurrencies and FIAT will change during and after the auction until the Lot is paid for. Phillips does not offer cryptocurrency conversion functionality during the auction. Bidders are responsible for making their own currency conversion calculations when bidding in the auction.

If you elect to pay for an Eligible Lot in an Accepted Cryptocurrency (Ether or Bitcoin) and satisfy our *Cryptocurrency Conditions* (see above), the FIAT currency Purchase Price as shown on your invoice will be converted automatically into the applicable Accepted Cryptocurrency using the Coinbase Commerce rates of exchange at the time the buyer accesses the Coinbase Commerce platform to make payment using the QR code or link we will issue to you.

## 5. Payment Process & Mechanics of Cryptocurrency Transactions

All cryptocurrency transactions will be handled through Coinbase Commerce. If you choose to pay for the Lot using cryptocurrency and satisfy the Cryptocurrency Conditions, we will issue you with a QR code or link to the address of Phillips’ digital wallet to which you must make payment. To make payment you must scan the QR code or access the link from your Digital Wallet. [This will automatically enter the transaction details in your digital wallet.]

Once you initiate a cryptocurrency transaction, the transaction cannot be reversed. This is inherent to the nature of the Ether and Bitcoin network and not a policy set by us.

If you enter the payment manually, you are responsible for ensuring you have input the correct digital wallet address into the recipient field and the correct Ether or Bitcoin amount into the amount field in your digital wallet software. We are not liable for any failures which occur in the payment process, including any errors you make when inputting digital wallet addresses, amounts or other credentials.

## 6. Payment Window

If you elect and we approve you to pay for a Lot with an Accepted Cryptocurrency, you must transfer the payment to us within the timeframe displayed by Coinbase Commerce in the QR Code or link we will send you. Typically, the payment window is 48 hours from us sending you the Coinbase Commerce payment link. You must make the payment from the digital wallet which you have demonstrated to us belongs to you. The payment must be made directly from your digital wallet to Phillips' digital wallet. We cannot accept payments made from other digital wallets.

If you fail to pay within the specified payment window, you lose your option to pay with an Accepted Cryptocurrency and must make payment to us in the FIAT currency of the saleroom in which the Lot was sold (i.e. HK\$, US\$, GBP, CHF) as set out in the invoice.

## 7. Confirmation of Cryptocurrency Payments on the Blockchain and Transaction Fees

Cryptocurrency payment transactions must be validated and confirmed on the blockchain. A transaction will be considered confirmed once it has been included in a block on the blockchain. Each new block will be considered a confirmation. A specific number of confirmations is required to consider a transaction final. Transaction fees are paid to the miners who confirm the transactions on the Blockchain. The length of time it takes to obtain the required number of confirmations depends on the amount of transaction fees that you choose to pay. The lower the transaction fee you pay, the longer it will take to confirm the transaction. Phillips does not control and cannot be held responsible for the transaction confirmation process. Buyers are responsible for paying the transaction fees. Phillips is not responsible for such transaction fees and is not involved in any way in setting the amount of recommended transfer fees. Phillips will not be responsible for any transaction confirmation delay.

## 8. Multiple Lots

If you buy multiple lots in the auction (not all of which are eligible for cryptocurrency payment), and you choose to pay for the Eligible Lots with cryptocurrency, we will issue you with separate invoices for the Eligible and Non-Eligible Lots.

## 9. Risks inherent in cryptocurrency payments

There are risks associated with the use of internet-based currencies such as Ether or Bitcoin, including but not limited to, the risk of hardware, software and internet connection failures, malicious software introduction, and the risk that third parties may obtain unauthorized access to information stored within your digital wallet. You accept and acknowledge that Phillips will not be responsible for any of the above, or for any communication failures, disruptions, errors, security breaches, distortions or delays you may experience when paying for an Eligible Lot with cryptocurrency.

## 10. Eligible Bidders

Phillips only accept bids from physical individuals or legally registered persons or entities. We do not accept bids from decentralized autonomous organisations (DAOs) or other blockchain based organisations. Any bid placed by a physical or legally registered person shall be considered a bid placed on behalf of that individual or legal entity as principal. That individual or legal entity will be fully responsible for payment of Lots for which they are the successful bidder. Payment must be made from an account or digital wallet in the name of the registered bidder.

## 11. Cancellation

If the sale of an Eligible Lot is cancelled for any reason as described in the *Conditions of Sale for the Auction*, including in respect of NFT Lots, the *Additional Conditions of Sale applicable to NFT Lots*, you understand and agree that any refund of the Purchase Price, will be paid to you in the FIAT currency of the saleroom as referenced on your invoice, even if you paid for the Lot in an Accepted Cryptocurrency.

## 12. Payment in FIAT currency

If you do not satisfy the conditions set out in these *Additional Conditions of Sale for Cryptocurrency Payments*, or if for any other reason you are not permitted to pay for a Lot in cryptocurrency, you must pay the total Purchase Price due for the Lot in the FIAT currency of the sale location (i.e. HK\$ for Hong Kong sales, US\$ for New York sales, GBP Sterling for London sales, CHF for Geneva sales).