

ADDITIONAL CONDITIONS OF SALE APPLICABLE TO NON-FUNGIBLE TOKENS (NFTS)

Effective 8 March 2022

Glossary of NFT specific terms

blockchain a list of records, called “blocks” linked together using cryptography typically managed by peer-to-peer networks for use as a publicly distributed ledger of transactions. Each block contains a cryptographic hash of the previous block, a timestamp and transaction data. The timestamp proves that the transaction data existed when the block was published.

Digital Artwork Asset a digital artwork file (in jpeg, MP4 or other digital format) which the NFT identifies (through a pointer or hash) and is associated with.

digital wallet an electronic device, online service or software program that allows the owner to receive, store or transfer digital assets, including but limited to cryptocurrencies and NFTs on a blockchain.

digital wallet address a unique alphanumeric string of characters which is associated with and represents the address for a digital wallet on the blockchain.

hash a mathematical algorithm that maps data.

mint to create or generate an NFT for a digital asset on a blockchain.

NFT (or non-fungible token) a uniquely identifiable token of data stored on a blockchain that can be sold or traded, which identifies (through a pointer or hash) and is identified by a Digital Artwork Asset.

The NFT confers only a right to use and display the Digital Artwork Asset. It does not confer ownership of or the right to transfer the Digital Artwork Asset itself

NFT Token ID the unique token ID contained in the Smart Contract identifying the NFT on the Blockchain.

Ongoing NFT Payments payments made in connection with the sale of an NFT which are configured or programmed into the NFT’s Smart Contract, including any payments which are triggered when the NFT is transferred from one digital wallet address to another digital wallet address.

Physical Companion a physical artwork or component that may accompany an NFT Lot and can be redeemed by the Buyer of the NFT Lot, but which does not form part of the NFT Lot being sold.

Smart Contract a computer program or transaction protocol which automatically executes, controls or documents events and actions relating to the operation of the NFT.

1. CONDITIONS OF SALE APPLYING TO THE SALE OF NFT LOTS

These additional conditions of sale apply to the sale of Lots which are Non-Fungible Tokens (“NFTs”). We identify Lots which are NFTs in the Lot description. These *Additional Conditions of Sale applicable to NFT Lots* should be read in conjunction with and apply in addition to the *Conditions of Sale* for the relevant auction in which the NFT Lot is being sold (“Conditions of Sale”). If there is any conflict, inconsistency or ambiguity between the *Conditions of Sale* for the relevant auction and these *Additional Conditions of Sale applicable to NFT Lots*, these *Additional Conditions of Sale applicable to NFT Lots* will prevail and control.

2. BEFORE BIDDING ON AN NFT LOT

Understanding what you are buying

NFTs are a new form of digital asset existing on the Blockchain. They are very different to traditional physical assets (such as paintings and photographs). Before bidding on an NFT Lot, please read these *Additional Conditions of Sale applicable to NFT Lots* carefully and ensure you understand fully what it is you would be acquiring, including any rights, restrictions and ongoing obligations attaching to or arising from the NFT and its Smart Contract.

Before bidding on an NFT Lot, if you are not already familiar with NFTs and their operation, you must take steps to inform yourself and seek external advice where appropriate.

By registering to bid on an NFT Lot you warrant and represent that you have sufficient knowledge of NFTs, Smart Contracts, the Blockchain, digital wallets and of the nature and operation of the NFT Lot you wish to bid on, to make an informed decision about what you are and are not buying, and the consequences and risks of owning the NFT Lot.

If you feel you do not have a sufficient understanding of what it is you would be buying, or you are not comfortable with the rights, restrictions and risks of owning the NFT and any ongoing obligations imposed by the NFT’s Smart Contract, you should not bid on the NFT Lot.

3. RIGHTS AND RESTRICTIONS

Rights

Ownership rights in the NFT only

When you purchase an NFT Lot you acquire ownership rights in the NFT only. You do not acquire ownership of or any exclusive rights in the Digital Artwork Asset identified by the NFT.

Owning an NFT gives you the right to store, sell and/or transfer the NFT subject to any restrictions which may be written into the NFT’s Smart Contract, as explained below.

Any rights you acquire in an NFT will immediately cease and terminate when you sell, transfer, burn or relinquish the NFT or in any other situation where you are dispossessed of the NFT, including upon its expiry where this is specified in the Smart Contract.

No ownership of the Digital Artwork Asset

Owning an NFT does not give you ownership of or any exclusive rights in the Digital Artwork Asset identified by the NFT. In particular, you will not acquire any of the following rights in the identified Digital Artwork Asset:

No copyright or intellectual property rights: You will not be able to prevent others accessing, displaying, copying or cloning the Digital Artwork Asset identified by the NFT.

No commercialisation rights: You will not have any right to distribute or otherwise commercialise the Digital Artwork Asset identified by the NFT, unless you obtain the permission of the person that holds such rights.

This means that others will be able to access, download and display the Digital Artwork Asset identified by the NFT you have bought and you will have no exclusivity over it.

The NFT’s Smart Contract, will identify the rights (if any) which may be conferred over the Digital Artwork Asset identified in that Smart Contract. It is therefore important that you review or ask an expert to review the NFT’s Smart Contract before bidding on an NFT Lot.

Restrictions

Restrictions include but are not limited to (i) restrictions on re-sale of the NFT (ii), ongoing obligations (including Ongoing NFT Payment obligations) and/or (iii) expiry provisions.

By bidding on an NFT Lot you assume full responsibility for reviewing the Smart Contract and identifying and determining the extent of any such restrictions may apply to the NFT.

Phillips is not responsible to you or any other person in any way or for making disclosures relating to such restrictions

4. PAYMENTS

Taxes

When you buy crypto assets, such as NFT Lots, taxes (including but not limited to sales tax, compensating use tax, value added tax and their equivalents) are payable in accordance with applicable laws.

Your purchase of an NFT Lot may therefore be subject to sales and use tax, VAT or other indirect taxes based on your billing address. Where applicable, Phillips will be required to collect relevant taxes dependent on those local laws. Please consult an independent tax advisor for tax advice and tax rate information.

Successful bidders of NFT Lots are responsible for paying any applicable taxes in accordance with applicable law.

If you satisfy our Cryptocurrency Payment Conditions and pay for an NFT Lot in a cryptocurrency accepted by Phillips, you will also be responsible for income or other taxes arising from your payment or disposal of cryptocurrency.

Sales Tax

Certain jurisdictions, including several US states, consider NFTs as a digital service or digital product. Depending on the applicable law, NFT Lots may be deemed to be delivered to the successful bidder in the location of that bidder’s tax domicile or if it can be determined, the location of the Digital Artwork Asset identified by the NFT.

If you are the successful bidder on an NFT Lot you are responsible for paying any sales and/or use taxes which are or become due on the purchase of the NFT, including taxes arising but not collected at the time of sale or which become applicable through retroactive and applicable legislation.

Artist Resale Royalties

If resale royalties are payable to the artist on subsequent resales of the NFT, this will be stipulated in the NFT Lot's smart contract. Where they exist, re-sale royalties will be a percentage of the re-sale price of the NFT. It is therefore important that you review (or seek professional help to review) and understand the operation of the NFT's smart contract (including any rights and restrictions contained in the smart contract) before bidding.

Depending on where the NFT Lot is re-sold, additional artist resale royalties and transaction duties may apply to the transaction under applicable law. These would be additional to and not in substitution for any resale royalties imposed by the NFT's smart contract.

5. ONGOING NFT PAYMENTS

These can take the form of automated fees, hosting and storage fees, commissions and royalties, including royalties on any subsequent sale, transfer, assignment or disposal of the NFT. Any Ongoing NFT Payments will be specified in the NFT's Smart Contract. Phillips is not responsible to you or any other person in any way or for making disclosures relating to such Ongoing NFT Payments. By bidding on an NFT Lot you assume full responsibility for reviewing the Smart Contract and identifying and determining the extent of any Ongoing NFT Payments. You also acknowledge and agree that if you are the successful bidder on an NFT Lot, you alone are responsible for any Ongoing NFT Payments, and neither Phillips nor the seller of the NFT Lot is responsible to you for any reason in connection with any Ongoing NFT Payments, or for disclosing any such payments to you.

If Ongoing NFT Payments are triggered by the transfer of the NFT to you following the Auction, Phillips reserves the right to invoice you for these Ongoing NFT Payments separately.

6. RISKS OF OWNING NFTS

By bidding on an NFT Lot, you acknowledge and accept that there are risks identified by buying, holding and using NFTs. There include but are not limited to:

user error, such as risk of losing access to the NFT due to loss of private key(s) or passwords;

- mistyped blockchain addresses;
- inability to access or transfer the NFT;
- inability to access or display the Digital Artwork Asset;
- corrupted or inaccessible digital wallets;
- blockchain malfunction or technical errors or inaccessibility;
- personal information disclosure;
- incorrectly programmed NFTs;
- custodial or buyer error;
- malfunction or malicious software;
- the introduction of virus or malicious code;
- hacking, use of phishing, bruteforcing, sybil attacks, 51% attacks, changes to the protocol rules of the blockchain (i.e. "forks"), or other attacks that could affect the NFT or the Digital Artwork Asset;
- cybersecurity attacks, security breaches or mining attacks;
- server failure or data loss;
- regulatory interference in one or more jurisdictions;
- uninsured losses;
- risks arising from third party providers, such as providers that mint the NFT and/or store the Digital Artwork Asset;
- NFT or cryptocurrency taxation or regulatory actions or determinations regarding NFTs or cryptocurrencies; and
- other unanticipated and volatility risks.

You should obtain your own legal and expert advice in respect of these risks and be happy to assume these risks before bidding on an NFT Lot.

7. NFT LOT DESCRIPTIONS

Our description of NFT Lots may include some (but not necessarily all) of the following information:

- NFT Smart Contract address
- NFT token ID;
- Blockchain on which the NFT is stored;
- Name and /or description of the Digital Artwork Asset identified by the NFT
- Server or network on which the Digital Artwork Asset is stored or Hash of the Digital Artwork Asset itself.

We are not responsible for carrying out any analysis (technical or otherwise) of the NFT's Smart Contract or other information contained in the NFT Lot's Lot Description and do we do not warrant its accuracy or completeness.

NFT Smart Contracts

Being tokens of data stored on the Blockchain, NFTs are not available for physical inspection. We will, however, provide prospective bidders with a link to the NFT's Smart Contract for the NFT. The Smart Contract is the computer code which governs the operation and execution of the NFT. You are responsible for reviewing and inspecting the NFT's Smart Contract and for obtaining such technical assistance as you may require to understand fully the terms and operation of the NFT's Smart Contract.

Your acknowledgements in relation to NFT Lots

By bidding on an NFT Lot, you acknowledge and agree:

- a) the NFT Lot is sold "as-is", in the condition that it is in at the time of the Auction;
- b) each NFT Lot is sold pursuant to the terms of the NFT's Smart Contract in addition to Phillips' *Conditions of Sale* for the relevant auction and these *Additional Conditions of Sale applicable to NFT Lots*;
- c) you are responsible for reviewing and confirming this information and conducting your own due diligence into the NFT before bidding;
- d) Phillips is unable to verify or make any representation as to the nature, operation, technical details, character, security, integrity, or contents of the NFT or the Digital Artwork Asset identified by the NFT;
- e) Phillips does not provide any guarantee in relation to the nature or operation of the NFT. The fact the NFT may be stored on a blockchain should not be interpreted as, or deemed to be, any guarantee in relation to the continued existence or operation of the NFT;
- f) Information we provide in relation to an NFT Lot and the Digital Artwork Assets identified by the NFT, whether written or oral, is not a representation of fact but rather a statement of opinion held by Phillips.

8. THINGS TO CHECK BEFORE BIDDING

If you intend to bid on an NFT, in addition to completing our standard bidding and registration processes and requirements described in the *Conditions of Sale* for the relevant auction, you must have:

- a) a digital wallet capable of accepting and supporting the NFT token type referenced in the Lot Description (these include but are not limited to ERC-721 or ERC-1155 tokens), registered in your name and maintained on one of the following platforms:
 - a) Coinbase Custody Trust;
 - b) Coinbase, Inc.;
 - c) Fidelity Digital Assets Services, LLC;
 - d) Gemini Trust Company, LLC; or
 - e) Paxos Trust Company, LLC.
- b) registered to bid with Phillips and have provided all documentation we may request to verify your identity for Anti-Money Laundering compliance and credit purposes.
- c) done your own due diligence into the NFT and understand the following:
 - that you are buying the NFT only and not the Digital Artwork Asset identified by the NFT;
 - That you understand the rights and any restrictions that are conferred by the NFT and agree to be bound by them.

If you do not have the requisite digital wallet, we may refuse to register you to bid or permit your participation in the Auction and if you are the successful bidder and do not take steps to open a digital wallet meeting our requirement, we may, in our absolute discretion, cancel the contract for sale of the NFT Lot between you and the seller.

9. WARRANTIES AND REPRESENTATIONS

Seller

The seller is the person who owns the NFT at the time the sale is completed, meaning the individual or entity that has the private key to the digital wallet that controls the ability to store or transfer the NFT.

In certain circumstances the seller of an NFT Lot may also be the artist of the Digital Artwork Asset identified by the NFT. Such information may be identified on the NFT's lot page or directly on the blockchain

The seller of an NFT Lot warrants that they have the right to transfer ownership of the NFT Lot without any restrictions or claims by anyone else, subject to any restrictions identified in the NFT's Smart Contract, including (i) any Ongoing NFT Payments payable in respect of the NFT including royalties payable to the artist upon a re-sale of the NFT (ii) any restrictions on the re-sale of the NFT and (iii) any potential expiration of the NFT.

Buyer

If you are the successful bidder of an NFT Lot, you warrant and represent:

1. You have the necessary understanding regarding NFTs, Digital Artwork Assets, blockchain technology and software systems, digital wallets and other storage mechanisms, and cryptocurrencies and their respective usage, functionality, storage and transmission mechanisms and other material characteristics, as well as digital wallet security and the hosting and maintenance of NFTs and Digital Artwork Assets, to fully understand and agree to these *Additional Conditions of Sale applicable to NFT Lots* including all risks outlined in these *Additional Conditions of Sale applicable to NFT Lots*, to enable you to receive, store, and maintain the NFT Lot.
2. You, and/or your advisors, have obtained sufficient information to make an informed decision to purchase the NFT and have carefully reviewed the terms and code of the NFT's Smart Contract to fully understand those terms and the functionality of those terms; the information included within the NFT including but not limited to 1) name of the Digital Artwork Asset 2) description of the Digital Artwork Asset 3) location or a hash identifying where the Digital Artwork Asset is stored (such as a content identifier or token ID); the NFT; and the storage system used for the Digital Artwork Asset and understand and accept its functions and volatility.
3. You are solely responsible for determining what, if any, taxes apply to your purchase of an NFT or to the use of cryptocurrency. Phillips is not responsible for determining the taxes that apply to your purchase of an NFT.
4. The characterization and regulatory scheme governing NFTs, cryptocurrencies, and blockchain technology is uncertain and undetermined, and you acknowledge and represent that your purchase of the NFT complies with all applicable laws and regulations in your jurisdiction. You further acknowledge that new regulations or policies may materially adversely affect the auction, the NFT or the value of cryptocurrency.

10. PAYMENT AND CURRENCY

The Auction will be conducted in the currency of the Phillips sale site in which the Auction is held and payment will be due in the currency of that sale site. Where designated with a symbol or in the Lot description, we will accept payment for NFT Lots in cryptocurrency in accordance with our [Additional Conditions of Sale applicable to Cryptocurrency Payments](#).

By bidding on an NFT Lot, you accept personal liability to pay the Purchase Price, plus all other applicable charges and taxes.

As with any other Lot in the Auction, successful bidders must pay for NFT Lots, immediately following the Auction. The Purchase Price will be calculated as described in the Conditions of Sale for the auction and in the case of NFT Lots, will include any transaction, transfer and/or network fees incurred by Phillips or the Seller in transferring the NFT to the buyer's digital wallet from Phillips' digital wallet.

11. TRANSFER OF OWNERSHIP TO YOU

a) Ownership of an NFT Lot will pass to the successful bidder, when the following conditions have been met:

- You have provided such enhanced client identification information as we may request to verify your identity and that the digital wallets you use for

payment and for transfer of the NFT Lot to you are owned by you alone and not by any other person. Please see our digital wallet requirements described in the paragraph titled *Things to Check Before Bidding* above. As part of this confirmation, you will be required to follow Phillips' NFT digital wallet confirmation process and security protocol to ensure that the NFT is safely transferred to you.

- Phillips has received your payment for the NFT Lot in full and cleared funds. If the NFT Lot qualifies for payment using Cryptocurrency, you have met and agree to the [Additional Conditions of Sale applicable to Cryptocurrency Payments](#).
- b) In instances where the seller will transfer the NFT to you directly, you agree that we may provide your digital wallet information to the seller to execute the transfer.
- c) You understand and agree that failure to ensure this and to comply with these conditions may prevent us from transferring the NFT to you.
- d) You understand and acknowledge that not all digital wallets support storage of, or are compatible with a non-fungible token, and that you must hold title to a digital wallet that supports storage of, or is compatible with, the token type identified on the NFT lot's page, and you must provide Phillips with the correct digital wallet information, in order for us to transfer the NFT to you.
- e) You are responsible for all necessary security measures with respect to the digital wallet you use to receive and hold the NFT, including requisite private keys, or other forms of credentials necessary to access your storage mechanism. If you lose your private keys or other access credentials, you may lose access to the NFT.
- f) You further acknowledge and agree that:
 - the Digital Artwork Asset may become inaccessible to you, modified, changed, or deleted; and
 - Phillips and the seller will not be responsible to you for any losses you might incur in acquiring, maintaining, storing and/or disposing of NFT Lots, including, but not limited to, losses arising from the acts of third-party service providers.

12. TRANSFER OF RISK

If you are the buyer of an NFT Lot, risk in and responsibility for the NFT Lot (including for loss or damage to the NFT) will transfer to you when you receive the NFT in your digital wallet. This occurs when the transfer to you is recorded on the Blockchain.

Once risk in the NFT has passed to you, you alone will be responsible for:

- providing appropriate maintenance, hosting, and security for the NFT.
- securing the digital wallet or other storage mechanism you use to receive and hold the NFT, including private keys and credentials
- any risks arising out of or in connection with the NFT such as but not limited to, risk of loss or damage, transferring, creating, providing proper maintenance including, without limitation the risks described above in the paragraph titled *Risks of Owning NFTs*.
- Any failure to provide appropriate maintenance (including without limitation hosting) of the NFT.

Neither Phillips, nor the seller, will be responsible for any such risks or losses.

13. OUR LIABILITY TO YOU

Limitations and Exclusions

The following limitations and exclusions of liability apply specifically to NFT Lots. They are additional to the limitations and exclusions of liability set out in the *Conditions of Sale* for the relevant auction.

a) Your acknowledgements

In respect of NFT Lots, you acknowledge and agree:

- (i) NFT Lots are issued, minted or tokenized by third parties and not by Phillips. Phillips does not own any rights in or to NFT Lots.
- (ii) The value of NFTs, like other crypto assets, can fluctuate considerably and may go up or down. By offering the NFT for sale, Phillips and the Seller are not providing you with financial or investment advice.
- (iii) Phillips is acting as the Seller's agent in offering the NFT Lot for sale. Phillips is not identified by or responsible for any resales, or subsequent transfers of the NFT or the Digital Artwork Asset identified by the NFT.
- (iv) Phillips is only selling ownership of the NFT itself. Phillips is not selling ownership of the Digital Artwork Asset identified by the NFT.

- (v) Ownership of the NFT does not confer:
 - a. any rights of ownership in or to the Digital Artwork Asset identified by the NFT; or
 - b. any copyright or other intellectual property rights in the Digital Artwork Asset identified by the NFT.
- (vi) When buying an NFT Lot, you only acquire the right to display the Digital Artwork Asset identified by the NFT for your own personal, non-commercial use, unless otherwise stated in the NFT's Smart Contract.
- (vii) Ownership of the NFT does not guarantee that you will have continuing access to the Digital Artwork Asset identified by the NFT.
- (viii) Ownership of the NFT does not give you any exclusive rights in or to the Digital Artwork Asset identified by the NFT. The artist or creator of the Digital Artwork Asset and third parties can and may display, copy, distribute, sell, transfer or assign the Digital Artwork Asset or the copyright or other economic rights in and to the Digital Artwork Asset or otherwise commercialise the Digital Artwork Asset.
- (ix) You may lose access to the NFT if your private keys or other access credentials are lost.
- (x) Phillips is not involved in or responsible in any way for the operation and execution of the NFT's Smart Contract or any subsequent transactions or arrangements triggered by the NFT's Smart Contract, including any Ongoing Payments or subsequent transfers of ownership of NFT Lots.
- (xi) Phillips' staff are not Information Technology or data experts. By bidding on an NFT Lot, you accept that NFTs and Smart Contracts are subject to inherent technological risks which may affect their performance now or in the future.

b) Warranty Disclaimers

NFT Lot are offered for sale "as is" and "as available". Except for the *Limited NFT Warranty* set out below, Phillips does not assume any liability for and gives no guarantees, warranties or representations of any kind, express or implied, oral or written, with respect to NFT Lots or the Digital Artwork Assets identified by such NFT Lots, including but not limited to representations or warranties:

- (i) as to title, non-infringement, description, quality, condition, technical operation, format, performance, attribution, authenticity, rarity, importance, or provenance of the NFT Lot or the Digital Artwork Asset identified by the NFT Lot;
- (ii) the terms of the NFT's Smart Contract and operation of the NFT and the Digital Artwork Asset identified by the NFT
- (iii) the characteristics of the Digital Artwork Asset other than what is represented in the NFT's code, i.e. the Smart Contract;
- (iv) the nature, description, uniqueness, functionality, operation, use, fitness, utility or compatibility with digital platforms and/or software for purpose of the NFT nor its related Digital Artwork Asset, either now or in the future;
- (v) the behaviour, character, condition, availability, and performance of the NFT, or the Digital Artwork Asset, including without limitation any form of derivative or replication process and activity, nor the quantity, value, condition or originality of such derivative works;
- (vi) the authenticity of the Digital Artwork Asset or the NFT, which you are responsible for reviewing and verifying yourself through the blockchain encryption for the NFT;
- (vii) whether the NFT, the Digital Artwork Asset, or the Physical Component are the subject of any infringement or alleged infringement of any intellectual property rights;
- (viii) the ability or inability of the NFT or the Digital Artwork Asset to generate or produce derivative NFT digital files (resulting from the NFT's potential programmable nature to create derivative works); or the characteristics, number of potential replications, behaviour, or authenticity of any such derivative NFT digital files; however, all ownership rights to such derivative works may also be transferred to the Buyer pursuant to the terms of the Smart Contract, and subject to the payment terms set out in these *Additional Conditions of Sale applicable to NFT Lots*;
- (ix) an NFT is reliable, compatible with your or others' computer systems up-to-date or error-free, compatible with your digital wallet; meet your requirements, or that defects in the NFT will be corrected;
- (x) an NFT or the delivery mechanism for NFTs are virus-free or free of other harmful components;
- (xi) the accuracy or reliability of any simulation or videos depicting the intended condition or performance of the NFT or the Digital Artwork Asset whether that is displayed on Phillips.com or on any other platform;
- (xii) that you will be able to receive, access or view the NFT or Digital Artwork Asset or that we provide any application or service to enable you to do so.

- (xiii) that the NFT does not contain viruses or malware, or that it will function as any bidder or Buyer expects nor without error or mistakes. to, merchantability, fitness for a particular purpose, correctness of the catalogue or other images, or descriptions of the quality, rarity, or importance or historical relevance of any NFT lot. Neither we nor the Seller make any representations or warranties, and expressly disclaim all implied warranties as Additionally, neither we nor Seller represent

c) Liability Disclaimer

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW IN NO EVENT SHALL PHILLIPS BE LIABLE FOR:

ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES OF ANY KIND; ANY LOSSES, DAMAGES OR CLAIMS ARISING FROM USER ERROR, SUCH AS RISK OF LOSING ACCESS TO THE NFT DUE TO LOSS OF PRIVATE KEY(S) OR PASSWORDS; OR MISTYPED BLOCKCHAIN ADDRESSES; MODIFICATION, ALTERATION OR DELETION OF THE DIGITAL ARTWORK ASSET; INABILITY TO ACCESS OR TRANSFER THE NFT; INABILITY TO ACCESS OR DISPLAY THE DIGITAL ARTWORK ASSET; CORRUPTED OR INACCESSIBLE DIGITAL WALLETS; BLOCKCHAIN MALFUNCTION OR TECHNICAL ERRORS OR INACCESSIBILITY; PERSONAL INFORMATION DISCLOSURE; INCORRECTLY PROGRAMMED NFTS; CUSTODIAL OR BUYER ERROR; MALFUNCTION OR MALICIOUS SOFTWARE; THE INTRODUCTION OF VIRUS OR MALICIOUS CODE; HACKING, USE OF PHISHING, BRUTEFORCING, SYBIL ATTACKS, 51% ATTACKS, CHANGES TO THE PROTOCOL RULES OF THE BLOCKCHAIN (I.E. "FORKS"), OR OTHER ATTACKS THAT COULD AFFECT THE NFT OR THE DIGITAL ARTWORK ASSET; CYBERSECURITY ATTACKS, SECURITY BREACHES OR MINING ATTACKS; SERVER FAILURE OR DATA LOSS; REGULATORY INTERFERENCE IN ONE OR MORE JURISDICTIONS; UNINSURED LOSSES; RISKS ARISING FROM THIRD PARTY PROVIDERS, SUCH AS PROVIDERS THAT MINT THE NFT AND/OR STORE THE DIGITAL ARTWORK ASSET; NFT OR CRYPTOCURRENCY TAXATION OR REGULATORY ACTIONS OR DETERMINATIONS REGARDING NFTS OR CRYPTOCURRENCIES.

IN NO EVENT WILL THE AGGREGATE LIABILITY OF PHILLIPS WHETHER IN CONTRACT, WARRANTY, TORT OR ANY OTHER LEGAL OR EQUITABLE THEORY, ARISING OUT OF OR RELATING TO THESE NFT CONDITIONS OF SALE, THE SALE OR USE OF THE NFT OR DIGITAL ARTWORK ASSET, EXCEED THE BUYER'S PREMIUM YOU PAY TO PHILLIPS FOR THE NFT.

14. CANCELLATION

If Phillips cancels the sale of an NFT Lot for any reason as described in the *Conditions of Sale* for the relevant auction or these *Additional Conditions of Sale applicable to NFT Lots*, and you paid for the NFT Lot in cryptocurrency, 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 NFT Lot in cryptocurrency.

Waiver of Cancellation Rights for UK and EU Consumers

Recognising that an NFT is digital data stored on a blockchain analogous to software, if you are a consumer habitually residing in the United Kingdom or the European Union and the seller of the NFT Lot you have bought is not a consumer, by accepting transfer of the NFT Lot to your digital wallet you acknowledge that you are waiving any right you may have had under the EU Consumer Rights Directive and relevant implementing legislation, to withdraw from and cancel your purchase of the NFT Lot within the 14 day cooling off period referenced in that legislation.

By bidding in the Auction, you expressly consent to Phillips transferring the NFT Lot to you immediately following your payment and that accordingly upon such transfer you will lose any right of withdrawal or cancellation you may have had under the EU Consumer Rights Directive and relevant implementing legislation (if applicable).

15. LIMITED NFT AUTHORSHIP WARRANTY

As NFTs are tokens of data stored on the Blockchain it is possible for anyone to check the authenticity and provenance (history of ownership) of the NFT, Phillips Authorship Warranty therefore only applies to a warranty that the NFT exists on the Blockchain and has the Token ID referenced in the Lot description.

Acknowledging that the successful bidder of an NFT Lot is acquiring ownership of the NFT only and not the Digital Artwork Asset identified by the NFT, Phillips does not provide any Authorship Warranty in relation to the Digital Artwork Asset identified by the NFT Lot.

16. PHYSICAL COMPANIONS

Certain NFT Lots may be accompanied by a physical artwork or component which can be redeemed by the Buyer of the NFT Lot but which does not form part of the NFT Lot and is not being offered for sale by Phillips (“Physical Companion”). If an NFT is accompanied by a Physical Companion, Phillips will identify the Physical Companion in the NFT Lot description and explain how the buyer of the NFT Lot can redeem the Physical Companion and the arrangements for its transfer and delivery.

Buyers of NFT Lots accompanied by Physical Companions, acknowledge and agree as follows:

- a) The Buyer of an NFT Lot will only have the option of redeeming the Physical Companion when Phillips has received the Buyer’s payment of the Purchase Price and all applicable fees for the NFT Lot in full and cleared funds;
- b) Buyers of NFT Lots are responsible for all fees and charges associated with the collection and/or delivery of the Physical Companion to the Buyer, including any applicable import duties, taxes, charges and fees;
- c) The Physical Companion does not form part of the NFT Lot and is not offered for sale by Phillips. As such the Physical Companion is not covered by Phillips’ Authorship Warranty;
- d) Phillips makes no representations or warranties in respect of the Physical Companion, including in respect of its nature, condition, description, uniqueness, functionality, compatibility, durability, or the availability of the Physical Companion, either now or in the future.
- e) If the Buyer of an NFT Lot accompanied by a Physical Companion, fails to redeem and collect the Physical Companion following the procedure outlined in the NFT Lot description (including within any timeframe specified in the NFT Lot description), the Buyer of the NFT Lot will be charged storage fees and will forfeit their right to redeem the Physical Companion.