

## Hessink's Tbilisi Auction House

### Terms and Conditions

This document governs the sales and other professional activities organized by Hessink's Tbilisi Auction House LLC (hereinafter, the "Auction House"), sets forth the rules governing participation therein, delineates the rights and obligations, and establishes the terms, limitations, and exclusions applicable to you.

**By consigning property for sale and/or registering for and/or participating in the auction, all participants, including sellers and bidders, agree to be bound by these Terms and Conditions and confirm that they have read and understood them.**

The Auction House is a legal entity registered in Georgia, which conducts auctions both in physical form and remotely, through the website <https://www.hessink.com> and other dedicated online platforms.

It is expressly noted that HESSINK'S Auction House (also known as Hessink's Auctions and Hessink's Veilingen) and Hessink's Tbilisi Auction House are entirely independent legal entities. They shall not be regarded as parties to a joint activity, a group of companies, a partnership, affiliated entities, or subsidiary companies. All financial documents (invoices) are issued directly by Hessink's Tbilisi Auction House, and it is explicitly indicated on the relevant online platform that the auction organiser and service provider is LLC "Hessink's Tbilisi Auction House".

Any person (Buyer, Seller, or Bidder) participating in sales organised by the Auction House fully and unconditionally agrees to these Conditions of Business. Participation in the auction (including bidding) constitutes confirmation that such person has reviewed and understood these Conditions of Business. Accordingly, no party shall be entitled to rely on any alleged ambiguity in these Conditions of Business or lack of knowledge thereof as a basis for any legal claim.

Please note that the Terms of Sale may vary depending on the circumstances of a particular sale. Accordingly, prior to participation, participants are required to carefully review any special conditions applicable to the relevant auction.

The legal relationship between the parties is governed by this Document, the information provided in the catalogue, the rules published on the website, and any notices publicly announced by the Auctioneer. These Conditions of Business regulate the relationship between the parties during the sale of lots, as well as in cases where a party applies to the Auction House for property inspection, expertise, valuation, or other related services.

The Auction House, generally, acts as an agent (representative) of the Seller. Accordingly, the contract of sale is concluded directly between the Seller and the Buyer, unless expressly provided otherwise. Descriptions of lots are based on information provided by the Seller.

The Auction House does not undertake full legal or technical due diligence in respect of each lot. Buyers are responsible for ensuring, either personally or through independent experts, the proper inspection and assessment of each lot in order to satisfy themselves as to its authenticity, characteristics, and physical condition.

### Document Structure and Terminology

For ease of reference, this document is divided into the following sections:

Section A: explains the primary terms used in the document;

Section B: sets out the conditions directly applicable to Buyers;

Section C: defines the applicable terminology and safety provisions;

Section D: conditions mainly concerning Sellers

Section E: general conditions

Sections A to E: together constitute the “General Conditions”, which apply to all types of sales.

In these Conditions of Business, the terms “we”, “us”, “our” and/or the “Auction House” refer to the auctioneer, while “you” refers to existing or prospective Buyers or Sellers, as the context requires.

## **SECTION A**

### **EXPLANATION AND DEFINITIONS OF CERTAIN TERMS USED IN THE DOCUMENT**

In this document, terms appearing in inverted commas shall have the meanings set out below:

#### **1. Definitions**

**„Terms and Conditions”, or „Conditions of Business”** – This document, any amendments or additions to which shall be made at the sole and absolute discretion of the Auction House.

**“Hammer Price”**: means the price at which a lot is knocked down by the auctioneer to the Buyer or, in the case of a post-auction sale, the agreed price; in all cases excluding the Buyer’s Premium, any applicable taxes, and any Expenses;

**“Buyer”**: means the person whose highest bid is accepted by the auctioneer, or that person’s disclosed principal;

**“Expenses”**: in relation to the sale of any lot, means the Auction House’s charges and expenses for insurance, catalogue and other reproductions and illustrations, any customs duties, advertising, packing or shipping costs, reproduction rights fees, taxes, levies, costs of testing, searches or enquiries relating to any lot, or costs of collection from a defaulting Buyer, together with any amount in lieu of Value Added Tax (VAT), where applicable, on illustration and insurance expenses;

**“Reserve”**: means the minimum Hammer Price at which the Seller has agreed to sell a lot (however, see the exceptions set out in Condition 10 of the Conditions of Sale);

**“Net Sale Proceeds”**: means the Hammer Price of the lot sold, to the extent received by the Auction House, less the Seller’s Commission and Expenses;

**“Buyer’s Premium”**: means the commission on the Hammer Price payable to Hessink’s Tbilisi Auction House by the Buyer at the rates stated in the catalogue and/or on the website and/or displayed in the auction room at the time of the relevant sale, together with any amount in lieu of Value Added Tax (VAT), where applicable;

**“Total Amount Due”**: means the Hammer Price in respect of the lot sold, together with the Buyer’s Premium, and any charges, fees, interest, taxes, and Expenses due from the Buyer or a defaulting Buyer;

**“Seller”**: means the owner, the owner’s agent, or the person in possession of the consigned property. Where there are multiple owners, agents, or persons in possession, each shall be jointly and severally liable for all obligations, liabilities, representations, warranties, and indemnities set out in these Conditions of Business;

**“Seller’s Commission”**: means the commission payable to Hessink’s Tbilisi Auction House by the Seller at the rates applicable at the date of sale of the property or, where applicable, at the date of loss or damage to the property, together with any amount in lieu of Value Added Tax (VAT).

## **SECTION B - CONDITIONS MAINLY CONCERNING BUYERS**

### **1. Hessink’s Tbilisi Auction House Capacity**

Hessink’s Tbilisi Auction House sells as agent for the Seller, except where it wholly or partly owns any lot as principal. Where Hessink’s sells as agent, any sale will result in a contract directly between the Seller and the Buyer.

## **HESSINK’S TBILISI AUCTION HOUSE OBLIGATIONS TO BUYERS**

### **2. Our Guarantee to You in Respect of Counterfeit Lots**

If we sell a lot that subsequently proves to be a counterfeit, we shall set aside the sale and refund to you any amount paid by you to us in connection with the lot, in the currency of the original sale. This shall, however, only apply on the condition that, no later than three (3) weeks after the date of the sale, you:

1. notify us in writing of the lot number, the date of the auction at which it was purchased, and the reasons why you consider the lot to be counterfeit, including any information that has come to your attention and that causes you to question the authenticity or attribution of the lot;
2. are able to transfer good title to us, free from any third-party claims arising after the date of the sale to you;
3. return the lot to us in the same condition as at the date of sale.

No refund will be available if any of the following applies:

1. the lot is in accordance with the catalogue and/or website description, or as amended by the auctioneer by public announcement at the time of the auction, either orally or in writing;
2. the catalogue and/or website description at the date of the sale was in accordance with the generally accepted opinions of scholars and experts at that time, or the catalogue and/or website description indicated that there was a conflict of such opinions;
3. the only method of establishing that the lot was a counterfeit at the date of publication of the catalogue and/or website was by means of processes which were not generally accepted for use until after the publication of the catalogue and/or website, or were unreasonably expensive or impractical, or, in our

reasonable opinion, likely to have caused a loss of value to the lot, or likely, in our reasonable opinion, to have caused a loss of value to the lot.

An item shall be considered counterfeit where, in our reasonable opinion, it is a deliberate modern forgery, i.e. an imitation created with the intention of deceiving as to authorship, origin, date, age, period, culture or source (where the correct description of such matters is not reflected in the description in the catalogue and/or website), and which, at the date of sale, had a value materially less than it would have had if the item had corresponded with the description in the catalogue and/or website.

No lot shall be considered counterfeit solely by reason of any damage, restoration and/or modification work of any kind (including repainting or overpainting).

### **3. Definition of Forgery**

An item is considered forged if, in our reasonable and objective assessment, it represents a deliberate modern forgery, specifically:

An imitation, the purpose of which is to mislead as to the authorship, origin, date, age, period, culture, or source of the item (where such characteristics are not reflected in the description in the catalogue or on the website), and the market value of which, at the time of sale, is substantially less than the value it would have had had it corresponded with the description.

A lot shall not be considered forged solely on the basis of any damage, restoration, conservation, or any type of modification (including overpainting).

In accordance with the general policy of Hessink's Tbilisi Auction House, we reserve the right to require the Buyer to present, at their own expense, written opinions from two independent experts recognised in the relevant field (the identities of whom shall be acceptable to both parties), setting out, with reasons, why the lot is considered to be forged.

Hessink's Tbilisi Auction House shall consider such opinions with due attention. Notwithstanding this, Hessink's Tbilisi Auction House is entitled, at its sole discretion, to obtain additional independent expert opinions for the purpose of making a final decision and is not bound by the expert opinions presented by the Buyer.

## **BUYER'S OBLIGATION TO INSPECT**

### **4. The Condition and Examination of Any Lot Offered for Sale**

All goods are sold with all faults and imperfections and errors of description. Illustrations in catalogues and/or on our website are for identification purposes only. The absence of any reference to the condition of any lot does not imply that the lot is in good condition or free from faults, imperfections or restorations. Hessink's is pleased to provide a condition report in writing on request.

All lots are sold as shown and/or as described on our website, and attention is drawn to Conditions 3, 4 and 5 of the Conditions of Business.

You should also note that we have not tested any electrical or mechanical goods prior to the sale (whether in respect of their ability to function, their safety of operation or otherwise), and you are solely responsible for testing such goods before using them. Accordingly, in respect of any lot in which you are interested, you undertake:

1. to inspect and satisfy yourself prior to the sale as to the condition and description of the lot;
2. to rely on your own judgment as to whether the lot accords with its description;
3. to seek any independent expert advice that is reasonably necessary (in light of your particular expertise and the value of the lot) to satisfy yourself as to authorship, attribution, authenticity, genuineness, origin, date, age, provenance or condition of the lot;
4. not to rely on any illustration in any catalogue and/or on our website.

To assist you, we may refer in a catalogue and/or on our website to particular faults and/or imperfections, but any such guidance does not purport to be exhaustive.

You will be deemed to have knowledge of all matters that you could reasonably have been expected to discover, having regard to your particular expertise and the exercise of reasonable due diligence.

## **HESSINK'S LIABILITY TO BUYERS**

### **5.1. Liability and its Scope**

The Auction House shall be liable only for damage caused by a breach of its obligations, and only within the limits permitted by applicable law.

The total liability of the Auction House in respect of any specific lot or transaction is limited to:

#### **In the case of the Buyer:**

To the extent of the amount actually paid by the Buyer, specifically:

- "Hammer Price" +
- Buyer's Commission (Buyer's Premium)

#### **In the case of the Seller:**

To the extent of the Net Sale Proceeds received from the sale.

In the case of any claim arising out of or in connection with the same lot or transaction, the liability of the Auction House shall aggregate in total and shall not exceed the maximum limit defined in this Article, regardless of the number of claims or their legal basis.

The Auction House shall not be liable for:

- indirect or consequential damage;
- loss of profit;
- business interruption;
- reputational damage;
- loss or corruption of data.

## **Liability for the Actions of Third Parties:**

The Auction House shall not be liable for damage caused by:

- the acts or omissions of third parties (including transportation companies, platforms, or experts);

### **except where it is established that:**

- the Auction House failed exercise reasonable care in the selection or supervision; and
- such failure constitutes gross negligence on its part.

## **User Participation**

Where the damage is partially caused by the acts or omissions of the Buyer or the Seller, the liability shall be reduced proportionately.

## **5.2. Exclusion of Liability**

Apart from the guarantee granted to the Buyer by Hessink's Tbilisi Auction House under Clause 3 and your rights relating to the rules governing the conduct of the auction under Clause 11:

1. Hessink's Tbilisi Auction House does not provide any additional guarantee, assurance, or undertaking to the Buyer. All implied warranty terms are excluded, except where such exclusion is impermissible under applicable law;
2. Any written or oral statement (including information indicated in the catalogue, on the website, in reports, comments, or appraisals) concerning any characteristic or quality of a lot, including its price or value, constitutes an opinion and not a legally binding guarantee. Such information may be changed or revised prior to the lot being offered for auction, including during the course of public viewing;
3. Neither Hessink's Tbilisi Auction House nor its affiliates, agents, employees, or directors shall be liable for the accuracy of such statements, except in cases of wilful misconduct or gross negligence, unless otherwise provided by law.

## **Exceptions**

The limitation of liability provided by this Article shall not apply where the damage is caused by:

- the wilful misconduct of the Auction House;
- gross negligence;
- injury to life or health (where such liability cannot be excluded by law);
- any other cases where the limitation of liability is impermissible under applicable law.

## **6. Limitation on Claims by Buyers**

The Seller's obligations toward you are limited to the same extent and within the same scope as our (the Auction House's) obligations are limited by these present terms. Any express or implied warranty, condition, assurance, or promise is excluded, except for those cases where the exclusion or limitation of such obligations is impermissible under the legislation in force. Furthermore, we reserve the right, on the basis of an individual

agreement with the Seller, to amend or specify the warranty conditions applicable to the Seller, including their extent or scope.

## **7. Seller's Obligations to Buyers**

The Seller's obligations to you are limited to the same extent as our obligations to you. Any express or implied conditions or warranties are excluded except to the extent that such obligations cannot be excluded by applicable law.

In addition, we reserve the right to agree variations to the Seller's warranties with the Seller.

## **8. AT THE SALE**

### **8.1. Rights of Participation at Auction**

The Auction House has the right, at its absolute discretion, to refuse to allow any person to participate in its auctions and to refuse admission to its premises to any person.

### **8.2. Employee Bidding**

Employees of the Auction House may participate in the auction (place bids) only where the Reserve Price of the relevant lot is not known to them in advance and where they fully comply with the internal rules and ethical standards of Hessink's Tbilisi Auction House concerning employee participation in bidding.

## **9. Sale Room Bidding**

To assist the progress of the sale, all intending Buyers are requested to collect a bidding card prior to the commencement of the auction. The numbered card may be used to indicate your bids to the auctioneer during the sale.

If you are the successful Buyer of any lot, please ensure that your bidding card is clearly visible to the auctioneer and that your number is correctly called out. In the event of any doubt as to the price or the identity of the Buyer, please draw the auctioneer's attention to it immediately.

All lots sold will be invoiced to the name and address provided at the time of issuance of the numbered bidding cards. Please do not misplace your bidding card; in the event of loss, please inform the sales clerk immediately. At the conclusion of the sale, please return your bidding card to the reception desk.

This system does not apply to commission or absentee bidders. For bidding in our online auctions, please consult the website: <https://www.hessink.com>

### **9.1. Bidding as Principal**

Where agreed, both you and the third party shall be jointly and severally liable for all obligations arising from the bid, and the third party shall be bound by the Conditions of Business by virtue of your bidding as their agent in the same way as if they were bidding personally, even if the terms of the Conditions of Business are not known to such third party.

You shall be responsible for informing your principal of the terms of these Conditions of Business.

## **Bidding and Commission**

### **10.1. Legal Nature of the Bid**

Participation in the auction and submission of a bid constitutes a legally binding offer by the Buyer (“offer”), which, upon acceptance by the auctioneer (including by the fall of the hammer or other clear confirmation), gives rise to a binding purchase agreement. The Buyer acknowledges that, prior to making a bid, they were provided with sufficient information to make an informed decision.

While personal attendance at the auction is the most reliable way to protect the Buyer’s interests, you may participate by submitting a commission bid or by telephone, in accordance with the rules set out below. The aforementioned service is provided free of charge.

Absentee bids submitted by telephone or other remote means are accepted at the risk of the sender and shall become effective only if they are confirmed in writing by electronic mail, fax, or in hard copy.

The relevant absentee bid form must be submitted to the Auction House no later than twenty-four (24) hours prior to the commencement of the relevant auction session.

### **10.2. Exercise and Limitation of Cooling-off Rights**

In the event that the Buyer acts as a consumer within the meaning of European Union law, they may have the right to withdraw from a distance contract, except in cases where:

- the contract was concluded within the framework of a public auction, where the consumer had a real opportunity to participate in competitive bidding, either personally or remotely;
- the contract, by its nature, falls within the exceptions provided for by applicable consumer protection legislation.

As a rule, the consumer does not have the right to withdraw from the contract if it was concluded within the framework of a public auction where the consumer had a real opportunity to participate in competitive bidding, either personally or remotely, unless otherwise specified by the Auction House in relation to a particular auction or a specific lot.

### **10.3. Commission Bids by Post, Fax, or Electronic Mail**

We will endeavour, on the basis of your written instructions, to submit a bid on your behalf, on the condition that such instructions are received within a reasonable timeframe prior to the commencement of the auction and are clear, accurate, and complete.

If identical commission bid amounts are received for a specific lot, priority shall be given to the bid received first.

However, our obligation to execute commission bids is subject to the circumstances at the time of the auction, and the Auction House shall not be liable for the non-execution or partial execution of a commission bid for any reason.

#### **10.4. Telephone Bids**

We may grant you permission to participate in the auction by means of telephone communication; however, in such a case, we reserve the right, prior to granting final consent, to request written confirmation of the relevant identification details and instructions.

Any request to bid by telephone must be communicated to Hessink's Tbilisi Auction House no later than one (1) day prior to the commencement of the auction. We accept no responsibility for any failure to establish a telephone connection, connection interference, technical faults, or the non-submission of a bid for any reason.

Hessink's Tbilisi Auction House is authorised to record telephone bids for evidentiary purposes.

1. Email address for the submission of bids: [Tbilisi@hessink.com](mailto:Tbilisi@hessink.com)
2. Live online bidding is available for all our auctions on the website: <https://www.hessink.com> and other online platforms.
3. For online bidding, registration is required at: <https://www.hessink.com>. Please complete the buyer registration form and provide a copy of a valid passport or driver's licence; additionally, you are required to provide a document confirming your residential address (such as a telephone or electricity bill issued in your name).

#### **10.5. Online Trading**

The Auction House provides online, electronic, and other technical means for the convenience of Buyers. The user acknowledges that such services are based on technological infrastructure and may be subject to interruptions.

When using the official platform of <https://www.hessink.com>, an additional fee of 3% of the "Hammer Price" (+ VAT) shall be added to the applicable Buyer's Premium, which covers the technical provision of online trading. In the case of using any other (third-party) online platform, an additional fee of 5% of the "Hammer Price" (+ VAT) shall be added to the Buyer's Premium, which is intended to cover the service fees of the respective external platforms.

#### **Explanation of Additional Online Bidding Fees**

This additional fee represents a service fee charged by the relevant online platforms. Accordingly, this expense is allocated to the Buyer who purchases a lot through such systems. Furthermore, for the purpose of organising online trading and its technical provision, the Auction House utilises additional administrative and technical resources.

The Auction House offers such services to its clients as an additional opportunity for those who are unable to attend the auction in person. However, neither the Auction House nor its employees shall be liable for any losses arising from any technical failures or interruptions, except in cases of wilful misconduct or gross negligence.

#### **10.6. Loss of Data and Data Integrity (Data Integrity Clause)**

The Auction House takes reasonable technical and organisational measures to ensure data protection and integrity. However, the user acknowledges that:

- electronic systems are, by their nature, subject to errors and interruptions;
- the complete accuracy, integrity, and preservation of data cannot be guaranteed;

Accordingly, the Auction House shall not be liable for any damage arising from the loss, damage, or alteration of data, except where it is established that:

- gross negligence; or
- wilful misconduct

has occurred on the part of the Auction House.

### **10.7. Cybersecurity and External Attacks**

The Auction House implements security measures in accordance with:

- industry standards;
- the level of technological development (state-of-the-art);

However, the Auction House does not guarantee that its systems will be fully protected from:

- hacking;
- cyber-attacks;
- malicious software;
- unauthorised access.

The Auction House shall not be liable for any damage arising from a cyber-attack carried out by a third party, except where it is established that:

- the security measures were clearly insufficient; and
- such insufficiency constitutes gross negligence.

### **10.8. Third-Party Platforms**

In the event that participation in the auction is carried out through third-party platforms:

- such platforms operate independently;
- the Auction House does not control their technical functioning.
- The Auction House and its employees shall not be liable for:
  - systemic defects of the third party;
  - loss of data;
  - interruption of the transaction;
  - temporary unavailability of the platform;
  - system interruptions or delays;
  - non-recording or incorrect recording of a bid;
  - interruption of data transmission.

Except where it is established that the damage is directly caused by a breach of the duty of care in the selection of the relevant platform by the Auction House.

### **10.9. User Responsibility**

The user is obligated to:

- ensure the technical soundness of their own device and connection;
- maintain the security of their account;
- use reasonable security measures;

A breach of the aforementioned obligations by the user shall be considered as contributory fault and shall be taken into account in the determination of liability.

#### **10.10. Limitation of Liability**

In light of the foregoing, the liability of the Auction House for any technical or IT-related damage shall be limited to the maximum extent permitted by law and shall not include:

- indirect damage;
- loss of profit;
- business interruption.

#### **10.11. Manifest Error (Manifest Error)**

The Auction House is entitled, on the basis of a good faith and reasonable assessment, to cancel, suspend, or disregard a bid in the event that a “manifest error” exists. A manifest error shall be deemed to exist where:

- the bid clearly does not correspond to the estimated value of the lot or the bidding logic of the auction;
- the error is caused by a technical or systemic defect;
- it is objectively established that the bid does not reflect the real and considered intention of the Buyer.

In making such a decision, the Auction House shall act:

- in compliance with the principle of proportionality;
- in a non-discriminatory manner;
- for the purpose of ensuring the integrity of the auction and the equality of participants.

The Auction House may:

- cancel the bid;
- reopen the auction;
- or take any other reasonable decision.

#### **10.12. Transparency of Information**

The Auction House ensures that, prior to participation in the auction, the Buyer is provided with clear, understandable, and non-misleading information regarding:

- the binding nature of the bid;
- payment and related obligations;
- consumer rights.

By participating in the auction, the Buyer confirms that they have familiarised themselves with such information.

#### **10.13. Buyer’s Responsibility and Control**

The Buyer is responsible for:

- the accuracy of their bid;
- the use of their account;

- the proper functioning of their device and internet connection;

A bid made from the Buyer's account shall be deemed authorised, unless it is established that:

- there was unauthorised access; and
- the Buyer has complied with appropriate security measures.

#### **10.14. Allocation of Technical Risks**

Remote bidding is carried out at the Buyer's risk. The Auction House shall not be liable for technical interruptions, except for the case when the damage is caused by its:

- intentional action; or
- gross negligence.

#### **10.15. Final Decision and Appeal**

The Auctioneer's decision in connection with the acceptance of bids or any dispute is final.

### **11. Conduct of the Auction**

The auctioneer shall commence and advance the bidding in increments that they consider appropriate in light of the value of the lot under auction and competing bids.

The auctioneer is entitled to place consecutive bids on behalf of the Seller up to the Reserve Price set for the lot, although the auctioneer will not indicate during the auction that such bids are being made on behalf of the Seller.

The Buyer acknowledges the rights of the auctioneer and the Seller set out in this condition and waives any claim arising in this connection against Hessink's or the Seller. For bidding in our online auctions, please consult our website: <https://www.hessink.com>.

### **12. Sale of a Lot**

The person whose highest bid has been accepted by the auctioneer shall be deemed the Buyer of the lot.

The fall of the hammer by the auctioneer constitutes confirmation of the acceptance of the highest bid and determines the Hammer Price, as a result of which the lot is considered sold to the Buyer.

A bid made by the Buyer is binding and may not be withdrawn, except in cases expressly provided for by these Conditions of Business or by applicable law.

### **13. Auctioneer's Discretion**

Notwithstanding conditions 11 and 12 above, the auctioneer has absolute discretion at any time during the course of the auction to:

1. withdraw any lot;

2. re-offer a lot for sale if the auctioneer reasonably believes that there is an error or dispute;
3. take such other action as they reasonably consider appropriate in the circumstances.

#### **14. Currency Converter**

Auctions are conducted in Euros, unless otherwise specified in respect of a particular lot. Bank transactions within the territory of Georgia shall be carried out in the national currency (GEL), in accordance with the official exchange rate established by the National Bank of Georgia on the day of payment.

#### **15. Video Images**

At certain auctions, a video screen may be used for the convenience of both Buyers and Sellers. Errors may occur in the operation of the video screen. The Auction House accepts no responsibility for the quality of the image displayed on the video screen or for the correspondence of such image to the original.

### **AFTER THE SALE**

#### **16.1. Payment**

The winning bidder is required to make payment immediately following the purchase of the lot on the day of the auction. Otherwise, we will issue an invoice to the postal or email address provided during registration.

The “Total Amount Due” comprises the “Hammer Price”, the Buyer’s Premium, other relevant expenses, and all applicable local taxes (where applicable).

Payment must be completed no later than seven (7) calendar days after the conclusion of the auction.

Payment for lots purchased at auction may be made by various methods, including credit card, subject to the applicable payment terms and any associated commissions.

#### **16.2. Buyer’s Premium**

In addition to the “Hammer Price”, the winning bidder is obligated, in connection with each lot sold, to pay the Buyer’s Premium, which is calculated based on the “Hammer Price”.

The Buyer’s Premium is charged at the following rates (unless a different tariff is specified for a particular auction):

- 25% on the portion of the “Hammer Price” up to €400,000 (inclusive);
  - 20% on the portion of the “Hammer Price” exceeding €400,000 and up to €4,000,000 (inclusive);
  - 14% on the portion of the “Hammer Price” exceeding €4,000,000.
- Value Added Tax (VAT) shall be charged in addition to the buyer’s premium.

The Auction House may specify a different amount for the Buyer’s Premium in respect of a particular auction or lot, which shall be published in the auction catalogue or announced at the auction, either orally or in writing.

#### **16.3. Payment Methods**

### **Cash Settlement:**

In accordance with these Conditions of Business, Buyers are required to make immediate cash payment for purchased items. Cash payments are accepted up to a maximum amount of €10,000 or its equivalent in another currency. Currency exchange costs of up to 2% may apply. This rule also applies to payments made in instalments.

### **Bank Transfer:**

When making payment, please indicate your account number and invoice number. For information regarding electronic transfers, please contact our office at: [Tbilisi@hessink.com](mailto:Tbilisi@hessink.com).

In accordance with European Union legislation, any Buyer making a purchase with a value exceeding €7,500 must present an official document verifying their identity.

### **16.4. VAT and Taxes**

The Buyer is responsible for the payment of all applicable taxes, including, but not limited to, Value Added Tax (VAT), as well as any other equivalent taxes that may arise in connection with the “Hammer Price” and the Buyer’s Premium.

The application or potential refund of VAT depends on the Buyer’s individual tax status and circumstances. It is the Buyer’s obligation to independently determine the tax obligations applicable to them and to ensure their full and timely compliance. As a general rule, VAT will be charged on the Buyer’s Premium and, in certain cases, on the “Hammer Price” of the relevant lot as well.

In case of additional questions, Hessink’s Tbilisi Auction House recommends that the Buyer consult an independent tax advisor.

### **16.5. Segregated Account**

Funds received from clients are held:

- in segregated bank accounts;
- separately from the Auction House’s operational funds;

Such funds are not used for the Auction House’s operational or any other purposes.

The Auction House acts as an escrow agent, to the extent necessary:

- for the temporary holding of amounts paid by the Buyer;
- for ensuring the handover of the lot and the execution of the transaction;

Funds are transferred to the Seller only if:

- the relevant auction conditions are fulfilled;
- no dispute or restriction exists in connection with the transaction.

### **16.6. Release of Funds**

The Auction House is authorised to release funds:

- in favour of the Seller, following the successful completion of the transaction;

- in favour of the Buyer, in the event of cancellation of the transaction or where appropriate grounds exist;
- In the event of a dispute, funds may be temporarily withheld until the dispute is resolved.

The Auction House is authorised to:

- suspend the release of funds for the purposes of AML/KYC or sanctions screening;
- request additional documentation;

The transfer of funds shall be carried out only upon satisfaction of applicable compliance requirements.

### **16.7. Interest**

Unless otherwise provided by law, no interest shall be payable to the client on funds held by the Auction House.

### **16.8. Limitation of Liability**

The Auction House shall not be liable for any loss or damage arising in connection with client funds, except where such damage is caused by:

- wilful misconduct; or
- gross negligence.

### **17. Artist's Resale Royalty**

In certain jurisdictions, applicable law grants the artist or their heirs the right to receive a royalty upon the subsequent resale of a work created by the artist.

Where such regulation applies to a particular lot, the Buyer shall be obligated to pay the corresponding royalty as an additional amount. The Auction House is authorised and obliged to collect such royalty on behalf of the Buyer and to transfer it to the relevant authorised body or collective management organisation.

### **18. Collection of Purchase**

You shall collect the purchased lot, at your own expense, no later than ten (10) days after the last day of the sale. The lot shall not be released to you until you have fully complied with all your obligations to the Auction House. See also: Clause 24 (Remedies for Failure to Collect Purchases).

### **19. Passing of Title**

The Buyer is fully responsible for the payment of the "Total Amount Due".

Title to the lot shall pass to the Buyer only once the "Total Amount Due" in respect of the relevant lot has been paid in full and the Auction House has confirmed receipt of such payment.

### **20. Transfer of Risk**

Any lot purchased shall be at your risk from the earlier of:

1. the time you collect the purchased lot;
2. the time you pay the Total Amount Due for the lot;
3. three (3) working days after the last day of the sale.

You shall be solely responsible for insuring the purchased lot from the time risk passes to you.

You shall be compensated for any loss or damage to the lot occurring after the sale but prior to the time risk passes to you. The maximum amount of such compensation shall be the Hammer Price of the lot plus the Buyer's Premium received by Hessink's, and shall exclude any indirect or consequential loss or damage.

However, we shall not, in any circumstances, be liable for any loss or damage caused to frames or to glass covering prints, paintings, or other works, unless the frame or glass itself constitutes the object sold at auction.

## **21. Shipping, Packing and Handling**

The Auction House is authorised, on the basis of the Buyer's written request, to arrange transportation of the lot in the Buyer's name. Packaging, handling, and transportation are carried out entirely at the Buyer's risk and expense. Hessink's Tbilisi Auction House shall not be liable for the acts or omissions of any carrier or third party.

## **22. Export/Import**

The export or import of any lot into any country may be subject to the granting of one or more export or import licences. It is the Buyer's responsibility to obtain any such licence.

The refusal or delay in obtaining any required export or import licence shall not justify the rescission or cancellation of the sale by you or any delay in the payment of the Total Amount Due for the lot.

## **23. Remedies for Non-Payment**

If the Total Amount Due is not paid in accordance with Condition 16, we shall, in our discretion and without prejudice to any other rights that we and the Seller may have, be entitled, both for ourselves and as agent for the Seller, to exercise any one or more of the following rights or remedies:

1. cancel the sale of the lot, in which case you shall be liable for any damages that we may suffer;
2. apply any payments made by you to us, whether as part of the Total Amount Due or otherwise, towards any costs incurred in connection with the (re)sale of the lot;
3. arrange and carry out a resale of the lot by public auction, on our website, or by private sale, in mitigation of the debt owed by you to us;
4. exercise a lien over any of your property in our possession for any reason, until all outstanding amounts due to us have been paid in full;

5. charge you our reasonable legal and administrative costs incurred and set off any amounts owed by us to you against any amounts you owe to us, whether arising from the proceeds of sale or otherwise;
6. charge you interest on all outstanding amounts at a rate of the base rate plus 3% (three per cent) per month;
7. reject any bids made by you or on your behalf at any future auction or require you to make a deposit with us before accepting any such bids.

You and the Seller:

1. consent to and authorise the Auction House to arrange and carry out such resale on the Conditions of Business applicable at the time of such resale;
2. agree that the level of the Reserve and the estimates relating to such resale shall be determined at the sole discretion of the Auction House.

The Net Sale Proceeds shall be applied in reduction of your debt. If a resale results in a lower price than the original Hammer Price obtained, the Auction House and the Seller shall be entitled to claim the shortfall from you together with any costs incurred in connection with your failure to make payment. If the resale results in a higher price than the Hammer Price obtained, the surplus shall be paid to the Seller.

## **24. Remedies for Failure to Collect Purchases**

If you do not collect a purchased lot within ten (10) days after the sale, we may arrange for storage of the lot at your risk and expense.

Uncollected property shall incur storage charges of €3 per item, per day or part thereof for small items and pictures (defined as items that can be handled by one person), and €10 per item, per day for furniture and other larger lots.

The Auction House shall be entitled to retain such property until all sums due to the Auction House have been paid in full.

If any property remains uncollected for 21 days after being placed in storage, storage charges shall thereafter be €10/€20 (small/larger items) per day, and the Auction House shall have the right to sell the purchased property in order to recover any outstanding storage charges, where such property has been held in storage for more than 90 days.

## **SECTION C – TERMINOLOGY AND SAFETY AT HESSINK'S Tbilisi Auction House**

The following are examples of terminology used in this catalogue and/or on our website.

Any statement as to authorship, attribution, origin, date, age, provenance, and condition constitutes an opinion and shall not be taken as a statement of fact.

Please read carefully the terms of the Authenticity Guarantee and the Conditions of Business for Buyers set out in this catalogue, in particular Conditions 3 and 4.

### **1. DAVID TENIERS**

In our opinion, a work by the artist. Where the artist's forename(s) are not known, a series of asterisks (\*), followed by the surname of the artist, whether preceded by an initial or not, indicates that, in our opinion, the work is by the named artist.

## **2. ATTRIBUTED TO DAVID TENIERS**

In our opinion, a work probably by the artist, but with less certainty as to authorship than in the preceding category.

## **3. STUDIO OF DAVID TENIERS**

In our opinion, a work by an unknown hand in the studio of the artist, which may or may not have been executed under the artist's direction.

## **4. CIRCLE OF DAVID TENIERS**

In our opinion, an unidentified but distinct hand, closely associated with the named artist, but not necessarily a pupil.

## **5. STYLE OF DAVID TENIERS or FOLLOWER OF DAVID TENIERS**

In our opinion, a work by a painter working in the artist's style, contemporary or near-contemporary, but not necessarily a pupil.

## **6. MANNER OF DAVID TENIERS**

In our opinion, a work executed in the style of the artist, but of a later date.

## **7. AFTER DAVID TENIERS**

In our opinion, a copy of a known work by the artist.

## **SIGNATURES**

1. The term "signed" and/or "dated" and/or "inscribed" means that, in our opinion, the signature and/or date and/or inscription are by the hand of the artist.
2. The term "bears a signature" and/or "date" and/or "inscription" means that, in our opinion, the signature and/or date and/or inscription have been added by another hand.

## **DIMENSIONS**

Dimensions are given with height preceding width.

## **IMPORTANT INFORMATION FOR SELLERS**

### **SECTION D – CONDITIONS MAINLY CONCERNING SELLERS**

#### **Agent for the Seller**

The Auction House acts as agent for the Seller. The Seller agrees that the Auction House is authorised to promote, market, and offer the lot(s) for sale on its behalf.

For the purposes of these Conditions of Business, “Seller” means the legal owner of the lot(s) or a person duly authorised to act on behalf of such owner. The contract of sale is concluded directly between the Buyer and the Seller.

## **1. Seller’s Warranties**

This Condition governs your relationship both with the Buyer and with Auction House. If Auction House or the Buyer consider that any of the warranties set out below has been breached in any respect, either Auction House or the Buyer may take legal action against you.

You agree to indemnify the Auction House, its agents, directors, officers, and employees, as well as the Buyer, against any loss or damage resulting from any breach or alleged breach of your representations or warranties.

Where we reasonably believe that any such breach has occurred, you authorise the Auction House, in its sole discretion, to rescind the sale.

You warrant to us and to the Buyer that, at all relevant times (including, without limitation, at the time of consignment and at the time of sale):

1. you are the true owner of the property or are properly authorised by the true owner to sell the property;
2. you are able to, and shall, transfer possession to the Buyer and good and marketable title to the property, free from any third-party rights, claims, or potential claims, including, without limitation, any claims that may be made by governments or governmental authorities;
3. you shall provide the Auction House, in writing, with complete, accurate, and comprehensive information regarding the lot, including its ownership history (provenance), previous owners, any third-party claims, existing or potential restrictions, as well as its condition, authenticity, attribution, and any export or import restrictions;
4. in connection with the export and import of the lot, all required declarations have been duly completed and all applicable fees and taxes have been paid;
5. you have paid or shall pay all taxes arising from the net proceeds received from the sale and shall notify the Auction House in writing of any taxes for which it may be required to account on your behalf in another jurisdiction;
6. at the time of delivery of the lot, unless otherwise stated in writing, the lot is free from any contractual, copyright, or other third-party encumbrances, and the Auction House shall have the right to photograph the lot and reproduce its image for marketing and archival purposes, without territorial or temporal limitation;
7. any electronic or mechanical device is in a safe operating condition when used for its intended purpose and does not contain latent defects that are not apparent upon ordinary inspection and which could pose a risk to human life or health.

## **BEFORE THE SALE**

### **2. Preparation for Sale**

You agree that we have sole and absolute discretion as to:

1. the manner in which property may be combined or divided into lots for sale;
2. the manner in which lots are included in a sale;
3. the manner in which any lot is described and illustrated in the catalogue or any condition report;
4. the date and place of the auction(s);
5. the manner in which any sale is conducted.

The Auction House reserves the right to consult with, and rely upon, any external experts, consultants, or restorers as it deems appropriate in relation to the property, and to carry out such further enquiries or tests, whether before or after the sale, as it may determine in its sole discretion.

However, this shall remain entirely at our discretion, and we shall be under no obligation to carry out any such consultations, enquiries, or tests. The Auction House shall be entitled to disclose or publish the results of any such tests in any manner we deem appropriate, including by disclosing them to the Buyer.

### **3. Estimates**

Any estimate provided by us, whether written or oral, constitutes an opinion only and is provided solely as a guide.

An estimate shall not be relied upon as a prediction of the likely selling price.

Any estimate given (whether written or oral, and whether in a catalogue, receipt, letter, or otherwise) may, at our absolute discretion, be revised from time to time.

#### **3.1. Exclusion of Liability**

Any representations, whether written or oral, including those contained in any catalogue, report, commentary, or valuation, in relation to any aspect of the quality of any lot, including its price or value:

1. are statements of opinion only;
2. may be revised prior to the lot being offered for sale (including whilst the lot is on public view).

#### **3.2. Limitations on Claims by Seller**

Any claim by the Seller (other than those covered by Condition 7) shall, in any event, be limited to the Net Sale Proceeds in respect of the relevant lot.

### **4. Withdrawal of Lots by the Seller**

If the Seller withdraws property from sale, the following provisions shall apply:

#### **(a) Withdrawal more than 4 weeks prior to the auction**

If the property is withdrawn more than four (4) weeks prior to the scheduled auction date, the Seller shall be liable to pay the Auction House liquidated damages. The parties agree that the actual damages would be impracticable or extremely difficult to ascertain and that the following amount constitutes a reasonable

estimate thereof. The Seller shall pay an amount equal to twenty percent (20%) of the low pre-sale estimate of the withdrawn lot as recorded in the Auction House's records, together with any out-of-pocket expenses incurred in respect of such property.

**(b) Withdrawal within 4 weeks of the auction or thereafter**

If the property is withdrawn within four (4) weeks prior to the auction date, on the auction date, or during the auction, the Seller shall pay a withdrawal fee equal to the sum of:

- the Seller's Commission; and
- the Buyer's Premium,

in each case calculated as if the withdrawn property had been sold at the mid pre-sale estimate, together with any out-of-pocket expenses incurred in respect of such property.

The rate of the Seller's Commission shall be the rate applicable at the time of consignment of the withdrawn lot.

**(c) Condition of Withdrawal**

The Auction House shall not be obliged to withdraw any property from sale or to return such property to the Seller unless and until the applicable withdrawal fee has been paid in full.

**5. Withdrawal of Lots by the Auction House**

The Auction House may withdraw a lot from sale without liability (including, without limitation) if:

1. we reasonably believe that there is any doubt as to its authenticity or attribution;
2. it is established or alleged that any of the Seller's representations or warranties set out in Condition 1 above are inaccurate in any respect;
3. you are in material breach of any provision of these Conditions of Business;
4. the lot contains any endangered species for which a CITES sale exemption is required and such exemption has not been granted by the day preceding the first day of the sale viewing;
5. we consider the lot to be of insufficient value for sale;
6. the lot suffers loss or damage such that it is no longer in the condition in which it was when we agreed to offer it for sale;
7. the auction at which the lot was to be offered is postponed for any reason.

**6. Withdrawal Fee**

If the withdrawal of the property is carried out on the basis of the circumstances set out in paragraphs 5, 6, and 7 of Condition 5 above, no withdrawal fee shall be charged to the Seller, and the property shall be returned at the expense of the Auction House.

In the event of withdrawal of the property on any other basis, the Seller shall be obligated to:

1. pay the withdrawal fee (in accordance with Condition 4);
2. fully reimburse all expenses incurred by the Auction House in connection with the property.

If the withdrawal of the property occurs within four (4) weeks prior to the auction date, or thereafter, including during the course of the auction, the withdrawal fee shall be calculated based on the “average preliminary estimate” of the lot and shall be equal to the combined amount of the Seller’s Commission and the Buyer’s Premium, together with any expenses actually incurred.

## **7. Risk of Loss or Damage Borne by the Auction House**

Unless otherwise agreed in writing at the time of delivery of the lot to us, we shall, at your expense and on the terms set out in this condition, bear the risk of loss of or damage to any lot from the time we receive such property until:

1. risk passes to the Buyer following the sale of the lot;
2. twenty-one (21) days after the relevant auction, if the lot remains unsold;
3. three (3) months after the lot has been delivered to us, if it remains in our possession and has not been consigned for sale by that time.

The Auction House shall charge you, and you agree to pay, a fee in respect of the risk borne by us, calculated at a rate equal to 1.5% (one and a half per cent) of:

4. the Hammer Price, if the lot is sold;
5. the Reserve price, if the lot is unsold;
6. the mid pre-sale estimate, if the lot is not offered for sale for any reason;
7. where no mid pre-sale estimate exists, a reasonable estimate of the auction value of the lot at the date on which it was delivered to us.

In the event of the sale of the lot, you grant us the right to deduct such amount from the “Hammer Price”.

If any loss or damage occurs to the property while the risk is borne by us, our liability shall not exceed the amounts set out in paragraphs 4 to 7 above, as applicable, less the Seller’s Commission and Expenses, together with any applicable VAT on the Seller’s Commission and Expenses.

If the property is partially damaged or partially lost and, in our opinion, has depreciated in value by less than 50% (fifty per cent), we shall either:

- pay you the amount of such depreciation and proceed to offer the property for sale; or
- pay you the full amount as set out above, in which case ownership of the property shall pass to us.

We shall not be liable for any loss or damage to frames or to glass covering prints, paintings, or other works.

### **7.1. Exclusions of Liability for Loss or Damage**

The Auction House shall not be liable for any loss of or damage to property caused by:

1. any third party engaged by us to handle the property with your consent;
2. changes in humidity or temperature;
3. normal wear and tear, gradual deterioration, or inherent vice or defect;
4. errors in processing, except where such loss or damage is caused by the Auction House's wilful misconduct or gross negligence;
5. acts of terrorism, civil commotion, riots, or war, including the use of weapons employing atomic fission or radioactive contamination;
6. acts of God, including flood, drought, earthquake, or other natural disasters.

### **8. Risk of Loss or Damage: Cover Arranged by You**

If you do not wish us to bear the risk of loss of or damage to any lot delivered to us, as set out in Condition 7 above, you must agree this with us in writing at the time of delivery.

If such agreement is made, you shall maintain insurance cover for the lot with a reputable insurance company until the Buyer has paid for the lot in full.

In such circumstances, you agree to:

1. provide us with a copy of the insurance certificate for the lot;
2. procure from your insurer a waiver of subrogation of all rights and claims which it may have against us in connection with any loss or damage, such waiver to be in a form satisfactory to us, and to provide us with a copy thereof;
3. indemnify us against any claim, loss, damage, or costs in respect of the lot, however arising. You agree that, by accepting these Conditions of Business, you shall be deemed to have provided such indemnity;
4. notify your insurer in writing of the terms set out in this Condition;
5. reimburse us on demand for all payments, costs, or Expenses (including legal fees) incurred by us as a result of any claim;
6. waive all rights and claims which you may have against us in connection with such loss or damage, except where such loss or damage is caused by our wilful misconduct.

If you fail to comply with sub-paragraphs 1 and 2 above within ten (10) days of delivery of any lot to us, we shall bear the risk of loss of or damage to the lot in accordance with Condition 7 above. Such risk shall be borne by us from the commencement of the eleventh day following the date of delivery of the lot to us.

If any loss or damage occurs after that time, our liability to you shall be limited to the excess, if any, of the relevant amount set out in paragraphs 4 to 7 of Condition 7 above over any amount payable to you under the insurance policy you have agreed to maintain for the lot under this condition, together with any applicable deductible.

## **9. Reconsignment**

If you fail either to reconsign or collect the lot within forty (40) days of the auction, we shall, in our sole discretion, be entitled to:

1. store the property at an independent storage facility at your risk and expense until such time as a further auction becomes available for the resale of the property;
2. re-offer the property for sale at the next available public auction with a reserve of not less than 50% (fifty per cent) of the original Reserve Price. In the event of such resale, we shall be entitled to deduct from the Hammer Price the reduced commission in respect of the initial sale, together with any Expenses. We reserve the right to charge you our reasonable legal and administrative costs incurred;
3. conduct any resale under the Conditions of Business set out in the catalogue of the relevant sale, provided that, as between you and us, these Conditions of Business shall continue to apply and shall prevail in the event of any inconsistency.

## **AT THE SALE**

### **10. Reserves**

In the absence of a written agreement to the contrary, a lot shall be deemed to be offered for sale without a Reserve Price. A Reserve Price shall apply only where it has been agreed in writing prior to the conclusion of the contract.

Following the conclusion of the contract, the establishment or amendment of a reserve price shall be valid only with the prior written consent of Hessink's Tbilisi Auction House.

If, following the conclusion of the contract, the reserve price is revised and the lot remains unsold at auction, you shall be liable to pay a "retention fee" equal to 10% of the reserve price. Such amount shall be paid to the bank account of Hessink's Tbilisi Auction House within ten (10) days from the conclusion of the auction.

The Auction House reserves the right, at its discretion, vary the agreed Reserve Price by up to 10%.

If the reserve price is agreed in a currency other than Euro and the exchange rate has changed by the date of the auction, the reserve price shall be determined by reference to its Euro equivalent, calculated in accordance with the official exchange rate at the close of business on the day preceding the auction.

The reserve price may not exceed the lot's "low pre-sale estimate", unless otherwise agreed. We are entitled to refuse acceptance of any lot where, in our opinion, the Reserve Price is unreasonably high. Once a Reserve Price has been agreed, it may not be changed without our prior written consent.

### **11. Bidding at the Sale**

You may not bid for your own property.

Although we shall be entitled to bid on your behalf up to the amount of the Reserve, you shall not instruct, or permit any other person to bid on your behalf for the property.

If you bid on your own behalf (or instruct another person to do so), we may treat you as an unsuccessful bidder. In such circumstances, you shall not be entitled to the benefit of Conditions 3 and 10 above and shall pay to us a sum equal to the total of the Seller's Commission, the Buyer's Premium, and all Expenses incurred by us in connection with the sale of the lot.

We shall be entitled to exercise a lien over the lot until such amount has been paid in full.

## **AFTER THE SALE**

### **12. Payments to be Made by You to Us**

Following the sale, you shall be liable to pay us the following sums:

1. the Seller's Commission plus VAT;
2. Expenses plus VAT.

### **13. Payment of Net Sale Proceeds to You**

In the event of the successful completion of the sale (provided that the sale has not been cancelled and that the purchase price has been received in our bank account), the Seller shall receive the "Net Sale Proceeds" within twenty-one (21) days from the conclusion of the auction, less the Seller's Commission, unless otherwise agreed in writing between the parties.

Payment of the "Net Sale Proceeds" is conditional upon actual receipt of funds from the Buyer. If the Buyer makes payment later than twenty-one (21) days after the conclusion of the auction, the Seller shall receive the "Net Sale Proceeds" no later than eight (8) weeks from the date of sale and, in any event, within five (5) business days from receipt of the funds in our account.

### **14. Rescission**

Where we are satisfied that a lot is a counterfeit, we shall rescind the sale and notify you accordingly.

The Auction House shall, in its sole discretion, be entitled to dispense with the requirements of Condition 3 in determining whether a particular lot is a counterfeit.

Within ten (10) days of receipt of notice of rescission, you shall repay to us any Net Sale Proceeds previously paid by us to you in connection with the lot and shall reimburse us for any Expenses incurred in connection with the rescinded sale. Upon receipt of such funds, we shall return the lot to you.

We shall be entitled to retain the Net Sale Proceeds of the lot if, for reasons beyond our control, we are unable to return the lot to you.

## **15. Non-payment by the Buyer**

We are under no obligation to enforce payment by any Buyer or to initiate legal proceedings to recover such payment.

If the Buyer fails to pay the Total Amount Due but we agree to remit to you an amount equal to the Net Sale Proceeds, title to the relevant lot shall pass to us. For the avoidance of doubt, we shall have the benefit of all your representations, warranties, and indemnities set out in these Conditions of Business.

## **16. Post-Auction Sales**

In the event that a lot is not sold at auction, the Auction House reserves the right to sell the lot by private sale within thirty (30) calendar days following the conclusion of the auction. In such circumstances, the lot shall not be sold at a price below the "Reserve Price".

## **17. Unsold Lot**

If the lot fails to reach the "Reserve Price":

1. we may, at our discretion, sell the lot at a price below the Reserve Price (at auction or by private sale within 30 days), provided that you receive the same amount of Net Sale Proceeds as you would have received had the lot been sold at the Reserve Price; or
2. return the lot to you and charge an "unsold property fee" equal to 2% of the Reserve Price for the lot, together with any additional expenses.

By signing the Agreement or otherwise indicating your consent, you shall be deemed to have agreed to these Conditions of Business. In the event that the lot is sold by private sale, your obligations to us in respect of that lot shall be the same as those that would have applied had the lot been sold at auction.

## **SECTION E - General Conditions**

### **Fraud Prevention, AML/KYC, Sanctions, and Prohibition of Bidding Manipulation**

The Auction House conducts client identification (including Buyers, Sellers, and Bidders) and monitors transactions for the purposes of preventing money laundering and terrorist financing, as well as ensuring compliance with applicable international sanctions, in accordance with applicable laws and internal policies.

## **18. Identification and Verification (KYC)**

The Auction House conducts client identification and verification (KYC) on a risk-based approach. For this purpose, the Auction House is authorised to:

- request client identification and verification information;
- identify and verify the Ultimate Beneficial Owner (UBO);
- request information regarding the source of funds and/or source of wealth;
- request any additional information necessary for client identification and risk assessment.

The client shall provide complete, accurate, and up-to-date information.

### **18.1. Sanctions Compliance**

The Auction House screens clients and transactions against applicable international sanctions lists (including EU, UN, OFAC, and others). The Auction House is authorised to:

- refuse a client's registration or participation in an auction;
- suspend or cancel a transaction;
- freeze or withhold the release of a lot,

where there is a reasonable suspicion that the client or the transaction is linked to a sanctioned person, prohibited activity, or a high-risk jurisdiction.

### **18.2. Suspicious Transactions**

Where a transaction or client behaviour gives rise to reasonable suspicion of money laundering, terrorist financing, or other unlawful activity, the Auction House is authorised to:

1. suspend the transaction pending further clarification;
2. refuse to provide services;
3. act in accordance with applicable law.

### **18.3. Client Obligations**

The client confirms and warrants that:

1. the information provided is complete, accurate, and up to date;
2. they are not subject to international sanctions;
3. the funds used are not derived from, or connected with, illegal activities.

### **18.4. Results and Rights**

The Auction House shall not be liable to the client where, in compliance with the requirements set out above, it:

1. refuses to provide services;
2. suspends or cancels a transaction;
3. delays the release of a lot or the payment of funds.

### **18.5. Prohibited Actions**

Any action aimed at disrupting the auction process or manipulating prices is strictly prohibited, including:

- artificial inflation of prices;
- collusive bidding (including agreed bidding arrangements);
- use of third parties for the purpose of price manipulation;
- direct or indirect bidding on one's own lot;
- provision of false or misleading information;

- use of illegal or non-transparent sources of funds;
- misuse or abuse of the platform or system.

### **18.6. Monitoring and Suspicious Behaviour**

The Auction House is authorised to monitor transactions and bidding behaviour, including:

- identification of unusual or illogical bidding patterns;
- analysis of repetitive or coordinated behaviour;
- enhanced verification of high-value or high-risk transactions.

### **18.7. Response to Violations**

Where there is reasonable suspicion of a breach of this clause, the Auction House is authorised to:

- cancel a bid or transaction;
- terminate the sale agreement;
- suspend or block a user's account;
- prohibit participation in auctions;
- retain or suspend funds to the extent permitted by law;
- take any other action in accordance with applicable law.

### **18.8. User Warranties**

The client confirms and warrants that:

- they are not acting on behalf of undisclosed third parties;
- they do not engage in price manipulation;
- they are not subject to any applicable international sanctions;
- the financial resources used are not derived from, or connected to, illegal activities.

### **18.9. Allocation of Liability**

The Auction House shall not be liable for any loss or damage caused by:

- fraudulent or manipulative actions of third parties;
- the provision of inaccurate or incomplete information by the user;

except where such loss or damage results from the Auction House's gross negligence or wilful misconduct.

### **Management of Conflicts of Interest**

The Auction House ensures that the organisation and conduct of auctions are carried out in accordance with the principles of good faith, fairness, and transparency, and that all participants are afforded equal opportunity to participate.

### **19. Participation of Employees and Related Persons**

Employees, directors, or persons connected with them within the Auction House may participate in auctions only where the following conditions are met:

- no conflict of interest exists;
- they do not possess non-public information that could influence bidding;
- internal compliance and ethical standards are fully observed.

The Auction House reserves the right to limit or prohibit such participation at any time.

**Note:** *The Auction House may place bids on behalf of the Seller in order to protect the Reserve on a lot.*

### **19.1. Disclosure**

The Auction House shall, within reasonable limits, ensure the disclosure of any circumstances that may materially affect the fairness of the auction.

However, the Auction House may limit such disclosure where:

- the information constitutes a commercial secret; or
- disclosure is restricted in order to protect client confidentiality.

### **19.2. Prohibited Actions**

Any conduct that gives rise to, or may give rise to, a conflict of interest or distortion of the auction process is strictly prohibited, including:

- direct or indirect bidding on one's own lot;
- collusive bidding (including agreed bidding arrangements);
- artificial inflation of prices;
- use of confidential information;
- use of third parties for the purpose of price manipulation.

### **19.3. Response and Powers**

In the event of a conflict of interest, or a reasonable suspicion thereof, the Auction House shall be authorised to:

- cancel a bid or transaction;
- terminate the sale agreement;
- suspend or block a client's account;
- prohibit a person from participating in the auction;
- re-open the bidding;
- take such other reasonable measures as it considers necessary to protect the integrity of the auction.

### **19.4. Limitation of Liability**

The Auction House shall not be liable for any loss or damage caused by third parties arising from a conflict of interest, fraud, or manipulation, except where it is established that:

- the Auction House failed to take reasonable preventive measures; and
- such failure constitutes gross negligence or wilful misconduct on its part.

## **20. Photographs and Illustrations**

You agree that we shall have the absolute right, on a non-exclusive basis, to photograph, illustrate, or otherwise create images of any lot consigned to us for sale.

We shall retain copyright in all images created by us of any lot and shall have the right to use such images in any manner we deem appropriate, both before and after the auction.

## **21. Cataloguing and Marketing**

A basic pre-sale description of the lot(s) shall be prepared prior to cataloguing. Such description is for identification purposes only and shall not constitute a binding representation by the Auction House.

A marketing charge shall be applied to both sold and unsold lots, calculated on a tiered basis by reference to either the sale result or, where a lot remains unsold, the Reserve Price, as follows (plus VAT):

up to €299 - €15

€300–€999 - €30

€1,000–€2,999 - €50

€3,000 and above - €100

Marketing and promotion of any lot(s), in any medium, shall be at the sole discretion of the Auction House.

Hessink's Tbilisi Auction House shall own the copyright in all images, illustrations, and written materials produced by or on behalf of the Auction House in relation to any lot, including catalogue content. The Seller shall not use such materials without the prior written consent of the Auction House.

## **22. Storage**

The Auction House shall not charge storage fees to the Seller except where the Seller has withdrawn property from future sales and has failed to collect such property within ten (10) working days.

Property not collected by the Seller within ten (10) working days following withdrawal shall incur storage charges as follows:

- €3 per item, per day or part thereof, for small items and pictures (defined as items that can be handled by one person); and
- €10.00 per item, per day, for furniture and other larger lots.

The Auction House shall be entitled to retain such property until all sums due have been paid in full.

If any property remains uncollected for twenty-one (21) days after being placed into storage, storage charges shall thereafter be €10/€20 (small/larger items) per day, and the Auction House shall have the right to sell the property without reserve in order to recover outstanding storage charges where the property has been in storage for more than ninety (90) days.

Any balance of the sale proceeds remaining after payment of all sums due to the Auction House shall be held for the account of the Seller.

## **23. Value Added Tax**

Where these Conditions of Business refer to an obligation to make payment by the Buyer or the Seller, the Buyer or the Seller (as applicable) shall be liable to pay any Value Added Tax (VAT) required by law or, where applicable, any amount in lieu of VAT.

## **24. Export/Import and Embargoes**

Neither the Auction House nor the Seller makes any representation or warranty as to whether export restrictions in Georgia, or in the country from which the lot is to be exported, or import regulations of any other country, apply to any specific lot.

Similarly, no warranty is given as to the existence or absence of any embargoes in relation to any lot.

## **25. Severability**

Even if the Auction House, the Buyer, or the Seller has expressly or implicitly permitted arrangements that deviate from these Conditions of Business, such Conditions shall remain fully valid and enforceable, and the Auction House shall remain entitled to require full compliance.

If any provision of these Conditions of Business is held by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions.

## **26. Personal Data**

The Auction House shall process personal data provided by its clients, or otherwise obtained in relation to them, for the purposes of providing auction and other art-related services, real estate and insurance-related services, client administration, marketing, and the general management and operation of its business, or as otherwise required by law.

Certain information about clients may be collected through technical means in order to identify preferences and improve the quality of services. The Auction House may also collect information through video surveillance systems or through the monitoring and recording of telephone communications.

Hessink's Tbilisi Auction House will generally seek the client's express consent before collecting any sensitive personal data, unless otherwise permitted by law. Any sensitive information provided may be used for the purposes set out above.

By agreeing to these Conditions of Business, you consent to the processing of your personal data and to its disclosure and transfer to third parties worldwide for the purposes described above, including to jurisdictions that may not provide an equivalent level of data protection.

### **26.1. Purposes of Processing**

Personal data may be processed for the following purposes:

- client identification and registration;
- enabling participation in auctions;
- execution and management of transactions;
- payment administration;
- AML/KYC and sanctions compliance;
- communication with the client;
- compliance with legal obligations.

## **26.2. Categories of Data**

The following categories of personal data may be processed:

- identification data;
- contact information;
- financial information;
- transaction data;
- technical data (including IP address and device information).

## **26.3. Data Transfers**

Personal data may be transferred to:

- banks, insurance companies, and payment service providers;
- AML/KYC verification service providers;
- third-party technology platforms;
- law enforcement authorities, where required by law.

Such transfers shall take place only to the extent necessary for the purposes set out above.

## **26.4. Retention Period**

Personal data shall be retained only for as long as necessary to:

- achieve the relevant purposes;
- comply with legal obligations.

## **26.5. Data Subject Rights**

The client shall have the right to:

- obtain information regarding the processing of their personal data;
- request rectification or erasure of personal data;
- request restriction of processing;
- receive their personal data in a portable format;
- object to processing.

These rights shall be exercised in accordance with applicable law.

## **26.6. Limitation of Liability**

The Auction House shall not be liable for any loss or damage resulting from a personal data breach, except where such loss or damage is caused by:

- wilful misconduct; or
- gross negligence.

## **26.7. Consent**

By agreeing to these Conditions of Business, you confirm your consent to the processing of your personal data and to its disclosure and transfer to third parties in any jurisdiction worldwide for the purposes set out above, including to countries where data protection standards may not be equivalent to those in your country of residence.

## **27. Intellectual Property**

All materials created or used by the Auction House, including:

- catalogues (printed and electronic);
- lot descriptions;
- photographs and videos;
- website and platform content,

constitute the intellectual property of the Auction House or the relevant authorised third party and are protected under applicable law.

### **27.1. Limited Right of Use**

The client is granted a limited, non-transferable, and non-exclusive right to use such materials solely for:

- participation in auctions;
- receiving information and evaluation purposes.

Any other use, including commercial use, is prohibited without the prior written consent of the Auction House.

### **27.2. Prohibited Actions**

It is prohibited to:

- copy, distribute, or publish materials for commercial purposes;
- use photographs or catalogue materials on third-party platforms (including resale platforms);
- modify or alter any content;
- use the Auction House's name, brand, or logo without prior authorisation.

### **27.3. Lot-Related Rights**

Photographs, descriptions, and catalogue materials relating to lots are provided for informational purposes only and:

- do not constitute a transfer of intellectual property rights in relation to the lot;
- do not imply that the Buyer acquires copyright or reproduction rights, unless expressly agreed.

### **27.4. Third-Party Intellectual Property**

Intellectual property rights relating to certain lots may belong to third parties (including authors, artists, or foundations). The Buyer is responsible for independently obtaining any necessary rights if they intend to use the lot for commercial purposes.

### **27.5. Use of Online Platform**

Use of the website or platform does not grant the user any ownership rights in the platform or its components. It is prohibited to:

- scrape or otherwise automatically collect data from the platform;
- reverse engineer the system;
- bypass or circumvent technical protection measures.

In the event of a breach, the Auction House shall be entitled to:

1. terminate access to the platform;
2. claim damages;
3. pursue any other remedies available under applicable law.

### **27.6. Limitation of Liability**

The Auction House shall not be liable for any infringement of third-party intellectual property rights, except where such infringement results from:

- wilful misconduct; or
- gross negligence.

### **28. Introductory Commissions**

We reserve the right to pay, out of our remuneration, a fee to any third party introducing clients or property to us.

### **29. Assignment**

The Buyer or the Seller shall not be entitled to transfer (assign) any rights or obligations under these Conditions of Business without the prior written consent of Hessink's Tbilisi Auction House.

These Conditions of Business shall be binding upon and continue to apply to your successors, heirs, guardians, executors, administrators, and other legal representatives.

### **30. Special Terms**

Where specific terms are assigned particular meanings, a glossary may be included prior to the first lot in the relevant catalogue.

### **31. Governing Law and Jurisdiction**

These Conditions of Business, and any amendments thereto, shall be governed by and construed in accordance with the laws of the Netherlands.

Any dispute, controversy, or claim arising out of or in connection with these Conditions of Business (including any non-contractual disputes) shall, in the first instance, be resolved through good faith negotiations.

In the event of a dispute, a party shall notify the other party in writing. The parties shall commence negotiations no later than fifteen (15) calendar days from receipt of such notice and shall seek, in good faith, to resolve the dispute.

#### **31.1. Mediation**

If a dispute cannot be resolved through negotiation, it shall be referred to mediation.

- mediation shall be conducted with the participation of a neutral mediator;
- the mediator shall be appointed by agreement of the parties;
- failing such agreement, the mediator shall be appointed by a competent mediation institution in the Netherlands.

The mediation process shall be concluded within thirty (30) calendar days from its commencement, unless otherwise agreed by the parties.

#### **31.2. Arbitration**

If a dispute cannot be resolved through mediation, it shall be finally resolved by arbitration under the following conditions:

- the arbitration shall be conducted in accordance with the Rules of the Netherlands Arbitration Institute (NAI);
- the seat of arbitration shall be Amsterdam, the Netherlands;
- the language of arbitration shall be English;
- the dispute shall be decided by a sole arbitrator, unless the value or complexity of the dispute requires a panel of arbitrators in accordance with the NAI Rules.

The arbitral award shall be final and binding upon the parties and enforceable in accordance with applicable law.

#### **31.3. Small Value Disputes**

Notwithstanding the foregoing arbitration agreement, where the value of the dispute does not exceed €10,000 (ten thousand Euros), each party shall have the right, at its sole discretion, to bring the dispute before a competent court.

In such case, the arbitration provisions set out above shall not apply.

#### **31.4. Confidentiality**

Mediation and arbitration proceedings, as well as all information disclosed in connection therewith, shall be confidential, except where disclosure is required:

- by law; or
- for the purposes of enforcement of the arbitral award.

### **32. Notice Procedure**

Each Buyer and Seller (as well as any prospective Buyer or Seller) irrevocably agrees that any notice, communication, or service of legal documents may be effected at their last known address registered with, or otherwise known to, the Auction House.

#### **32.1. Validity and Evidentiary Value of Electronic Communication**

The parties agree that communications, including:

- email;
- messages transmitted via the online platform;
- other electronic means,

shall constitute legally valid and binding communications.

Notifications, statements, agreements, and confirmations made by electronic means shall have the same legal effect as written documents, except where applicable law requires a specific form.

#### **32.2. Presumption of Receipt**

An electronic communication shall be deemed received:

- at the time of sending, provided that no technical error has been recorded; or
- in any event, no later than twenty-four (24) hours after sending,

unless the recipient proves that the communication was not received due to technical reasons beyond their control.

#### **32.3. Evidentiary Value**

Electronic records maintained by the Auction House, including:

- email archives;
- system logs;
- platform data,

shall constitute sufficient and reliable evidence, unless their manifest inaccuracy is established.

#### **32.4. User Obligations**

The user shall:

- provide accurate and up-to-date contact details;
- regularly monitor their email and communication channels;
- ensure the security of their account and communications.

The user shall be responsible for any consequences arising from incorrect or outdated contact information.

Notifications sent via the platform (including bid confirmations, notifications of successful bids, and payment requests) shall constitute official communications and shall be binding on the user.

### **32.5. Technical Delays**

The Auction House shall not be liable for any delays or failures in communication, except where caused by:

- wilful misconduct; or
- gross negligence.

## **33. Suspension and Termination of Service**

The Auction House shall be entitled, acting on a reasonable and good-faith basis, to restrict, suspend, or terminate a user's access to the platform or participation in an auction in accordance with these Conditions of Business.

### **33.1. Suspension**

The Auction House may temporarily suspend a user's account or a specific transaction where:

- there is a suspected breach of these Conditions of Business;
- an AML/KYC or sanctions review is ongoing;
- suspicious, fraudulent, or bad-faith behaviour is detected;
- a technical or security risk arises;
- a dispute or claim requires review.

During the suspension period, the Auction House may:

- suspend bidding rights;
- suspend or delay the transfer of funds;
- restrict access to the platform.

### **33.2. Termination**

The Auction House may terminate its relationship with a user or close a user's account where:

- the user has materially breached these Conditions of Business;
- false or misleading information has been provided;
- fraud, bidding manipulation, or sanctions violations are identified;
- the user fails to fulfil payment obligations;
- there is a reputational or legal risk.

The Auction House may terminate services immediately and without prior notice where the breach is serious, where there is a risk of unlawful activity, or where such action is necessary to prevent harm.

### **33.3. Consequences**

In the event of suspension or termination, the Auction House may:

- cancel bids;
- cancel or suspend transactions;

- withhold or release funds in accordance with these Conditions of Business;
- block or deactivate the user's account.

Termination shall not affect any obligations already accrued.

#### **33.4. User Rights and Notification**

To the extent reasonably practicable, the Auction House shall notify the user of any suspension or termination and provide a general explanation of the reasons, unless:

- such disclosure is prohibited by law; or
- it would compromise security or an ongoing investigation.

#### **33.5. Limitation of Liability**

The Auction House shall not be liable for any loss or damage arising from suspension or termination, except where such loss or damage results from:

- wilful misconduct; or
- gross negligence.

#### **34. Force Majeure**

Neither party shall be liable for any delay or failure in the performance of its obligations under this Conditions of Business to the extent that such delay or failure is caused by an event or circumstance beyond its reasonable control which could not reasonably have been foreseen or avoided (a "Force Majeure Event").

The affected party shall notify the other party within a reasonable time and shall use all reasonable endeavours to mitigate the effects of the Force Majeure Event.