

GENERAL CONDITIONS OF STORAGE OF ARTWORKS WELTI-FURRER FINE ART AG (January 2018)

These general terms and conditions (hereafter 'GTC') govern the rights and obligations of the depositor as well as of Welti-Furrer Fine Art AG as the storage provider (hereafter 'WF') with respect to the storage (hereafter 'Storage Contract') of artworks and antiques (hereafter 'Artworks'). For the transportation of Artworks, WF's General Conditions for the Transportation of Artworks apply.

1. SUBJECT OF CONTRACT

- 1.1 WF takes care of the storage (including related services such as receipt and retrieval from storage, management of a stock list, viewings etc.) of Artworks in accordance with the following provisions and the Storage Contract signed by both parties against payment of the agreed fee. In case of discrepancies between the Storage Contract and the GTC, the Storage Contract takes precedence.

2. INFORMATION AND INSTRUCTIONS BY THE DEPOSITOR

- 2.1 The depositor shall provide WF with complete and accurate details relating to the Artworks, in particular:
- Number, type and nature (creator, technique, measurements, frame, declared or estimated value, etc.),
 - Ownership of and third party entitlements,
 - Particular storage requirements,
 - Confirmation of compliance with all statutory provisions and duties (e.g. taxes, etc.),
 - Customs documents (all necessary customs documents and information including all details relating to the customs status of the Artworks).
- 2.2 The depositor shall notify WF in writing of any change of address or changes concerning the power of attorney. The original depositor remains WF's contracting party until a new Storage Contract for the stored Artworks with a new party is signed.
- 2.3 WF shall regard the details provided as binding. It is entitled, although not obliged, to check them. WF reserves the right to undertake sample inspections and thereby open or destroy the packaging of the Artworks. Should details or documents not be provided or should the details provided by the depositor be incomplete or incorrect or should the depositor fail to notify WF of any changes immediately, any resulting loss shall be borne by the depositor, and WF shall be entitled to decline to store the Artworks and to terminate the Storage Contract without notice (no. 9.3.). **WF shall not be liable for any loss arising therefrom (nos. 7.9 f and 7.9 g).**

3. STORAGE

- 3.1 Upon receipt of the Artworks, WF shall check only their quantity relating to the list of Artworks the depositor shall provide. WF is not obliged to check that the Artworks match their description in the list prepared by the depositor, nor is it obliged to check the authenticity and condition of the Artworks.
- 3.2 After accepting the Artworks into storage, WF shall provide a list of the Artworks concerned and transmit it to the depositor. The list is deemed to be approved if the depositor does not object in writing within 8 (eight) days of receipt of the list. The list shall have no security value and therefore may not be used as collateral, pledged or transferred.
- 3.3 The Artworks must be packed professionally in a manner suitable for storage by the depositor, if the Artworks are not packed by WF. **WF does not accept any liability for defects of the packaging and any related damage.**
- 3.4 Subject to the provision of any special written contractual regulations, WF shall be entitled but not obliged to pay any freight fees, customs duties, taxes etc. on the depositor's behalf. WF shall for such purposes rely on the details provided by the depositor, who shall be liable for the consequences, including taxes, duties, fines and penalties, of any invalid declaration. The depositor shall reimburse WF for any sum made in payment plus default interest and a processing fee.

4. VIEWING

- 4.1 The depositor or his authorised representative is entitled to view the Artworks during normal business hours by written notice in advance. WF is authorised to verify the identity of any visitor against an official document. WF can be present during the viewing.
- 4.2 Any costs related to the viewing are charged to the depositor.

5. RETRIEVAL OF STORED ITEMS

- 5.1 Any order to retrieve Artworks must be made in writing by the depositor or his representative and it must contain the following details:
- a.) Storage item number as per the most recent list of stored Artworks,
 - b.) Type of packaging,
 - c.) Date of retrieval,
 - d.) Name and address of recipient, type of transfer and, if required, a separate order for transportation,
 - e.) Instructions for any inspection of the Artworks that may be required.
- WF must be granted sufficient time to prepare the Artworks in an appropriate and orderly fashion.
- 5.2 WF is not obligated to any partial retrieval of the stored Artworks until all claims of WF have been settled.
- 5.3 In case of only a partial retrieval of Artworks the depositor shall be given written notification of the retrieval and any amended list. The list shall be deemed approved unless the depositor objects in writing within eight days of receipt.
- 5.4 The depositor in whose name the goods are stored shall have the right of disposal. WF reserves the right on handing over the Artworks to request proof of identity of the depositor or of the recipient designated by the depositor.
- 5.5 Retrieval shall be subject to confirmation of receipt signed by the depositor or his designated recipient. Transfer of the Artworks takes place at the place of storage.
- 5.6 The depositor or his designated recipient shall on transfer of the Artworks immediately inspect their condition and quantity. Externally identifiable defects must be immediately noted on the confirmation of receipt; in the case of defects not externally visible written notice to WF must be provided via registered mail within eight days of the transfer. In the absence of notification of defects within this deadline, all claims against WF shall be void.
- 5.7 All other claims against WF shall expire one year after the transfer of the Artworks to the depositor or his designated recipient.

6. FEE FOR STORAGE AND OTHER SERVICES

- 6.1 The storage fee shall be paid subject to the Storage Contract. Every commenced month will be charged for in full. Additional services occasioned by the stored Artworks or undertaken on the orders of the depositor will be charged for separately.
- 6.2 Unless agreed otherwise in writing, storage fees are to be paid yearly in advance. In the event of partial retrieval or additional deposits, WF reserves the right to recalculate the storage fees.
- 6.3 All invoices issued by WF are due within 30 days. In the event of payment arrears, interest of 0.8% per commenced month may be charged from the onset of arrears.
- 6.4 The storage fees are index-linked and based on the national consumer prices index. Storage fees can be raised annually by WF on 1st of January, and has to be announced with a 30 days' notice. There is no obligation on the storage provider to reduce fees.

7. LIABILITY

- 7.1 By signing the Storage Contract, WF undertakes to perform the storage and any special instructions of the depositor with due care.
- 7.2 Unless specifically otherwise agreed in writing, WF's duty of care extends solely to the storage of the Artworks and not to any special measures or the handling of the Artworks during storage.
- 7.3 **The liability of WF shall in any event begin at the earliest with the acceptance of the Artworks and end at the latest with their retrieval. If the depositor himself performs transfer to stock or release from stock, WF shall be released from any liability for such actions and from any liability from this point onwards.**
- 7.4 WF shall be liable only for loss or damage demonstrably attributable to WF's unlawful intent or gross negligence.
- 7.5 WF reserves the right to engage auxiliary personnel and other third parties for the performance of the Storage

Contract or for the performance of additional services. Should the auxiliary personnel or any third party so engaged cause any damage, WF shall be liable only to the extent that it has failed to provide the necessary care in its recruitment or instruction.

- 7.8 In the event of the destruction, loss or damage of the Artworks, WF shall be liable for an amount up to the declared value of the Artworks concerned, however only up to an amount not exceeding 8.33 Special Drawing Right/kg of gross weight of the Artworks concerned and up to a maximum liability of 20'000 Special Drawing Right per event.
- 7.9 In all other events, WF's liability shall be limited to a maximum of 20'000 Special Drawing Right per event.
- 7.10 The liability limitation applies to claims based on any legal grounds whatsoever, in particular also claims based on tort.
- 7.11 WF shall not be liable for:
- a) **loss or damage caused by force majeure, strike, military or terroristic events or other similar occurrences;**
 - b) **the contents of boxes, baskets, cabinets or drawers or other containers unless the depositor has provided a special index of such contents and a special agreement has been concluded in writing in respect of such contents;**
 - c) **failures of glue or veneer, scuff marks, pressure points on furniture, breakage of rotten furniture or damage caused by temperature variation or atmospheric humidity;**
 - d) **damage caused by rust, mice, rats, moths, woodworm or mould;**
 - e) **internal damage to items received in a defect-free condition;**
 - f) **the consequences of false, incorrect or missing information;**
 - g) **the failure of the depositor to provide the necessary documents or to supply them in time;**
 - h) **indirect damage or consequential damage such as loss due to delay, loss of income, loss of value, contractual penalty etc.;**
 - i) **circumstances that WF, despite exercising due care, was not able to influence and whose consequences it could not prevent.**
- 7.12 The depositor shall be liable for any damage caused to WF or any third party by the Artworks.

8. INSURANCE

- 8.1 WF shall purchase insurance for the stored Artworks on the depositor's behalf only if a written order has been issued by the depositor. The insurance value shall be the value declared by the depositor. This value must be proved by the claimant in the event of damage or loss. Insurance premiums will be invoiced separately to the depositor.
- 8.2 In the event of a change in the quantity or value of the Artworks, the insurance sum shall be adjusted upon written order of the depositor. Any loss resulting from a change in value that has not been reported to WF or not reported to WF in a timely manner shall be borne solely by the depositor.
- 8.3 WF shall act as an intermediary between the depositor and the insurance company. The liability of WF shall be determined in accordance with Section 7.
- 8.4 If the depositor does not issue an order pursuant to section 8.1 to WF, WF will assume that the Artworks are adequately insured by the depositor or a third party and that any liability on the part of WF is completely excluded.

9. TERMINATION

- 9.1 If the Storage Contract has been concluded for a fixed period, it ends at the end of this term.
- 9.2 If the Storage Contract has been concluded for an indefinite period, the notice period (under restriction of section 9.3) is 30 days. Notice of termination must be given in writing.
- 9.3 The Storage Contract can be terminated for good cause with immediate effect. Good cause in particular includes:
- 9.4 In the case of insolvency or bankruptcy, debt collections or similar proceedings are initiated against a party in accordance with the applicable law.
- 9.5 If a stored item exhibits or develops undesirable characteristics (odours, leaks, pest, etc.) that are detrimental to other goods, the warehouse itself, to personnel or the environment.
- 9.6 The depositor or his authorised representative is obliged to collect the stored Artworks from the place of storage on the date on which the storage period ends at the latest.
- 9.7 If the Artwork is not collected in time, the depositor remains liable for the continuing storage fees.
- 9.8 The depositor waives any right to claim damages for stored Artworks that are not collected on time.
- 9.9 In the event that, following expiry of the ordinary or extraordinary notice period, the depositor fails to comply with the request to collect the Artworks within a period of time specified under threat of disposal, WF reserves the right to dispose the Artworks by private contract.

10. RIGHT OF RETENTION, RIGHT OF PLEDGE AND RIGHT OF OFFSET

- 10.1 WF reserves the right to retain or withhold the stored Artworks.
- 10.2 WF further reserves the right to the contractual pledging of the stored Artworks to cover any claims it may have against the depositor under any legal title.
- 10.3 The transfer of ownership of the stored Artworks to any third party shall not affect WF's rights of pledge and retention against the depositor.
- 10.4 In the event that the depositor is more than three months in arrears in the payment of storage fees, WF reserves the right to dispose of the stored Artworks by private contract. WF shall inform the depositor of its intention to do so by sending a registered letter to the depositor's last known address. Should the depositor fail within 20 days to meet this final demand for payment accompanied by notification of intended sale, WF can proceed immediately with the sale as it sees fit. Liability for any outstanding debit balance shall be borne by the depositor. Any outstanding credit balance that cannot be transferred to the depositor shall be held in non-interest-bearing credit.
- 10.5 If the depositor maintains there are defects to the Artworks and intends to hold WF liable for such defects, WF reserves the right to retain the Artworks until the complaint is resolved. Any right of the depositor to claim compensation for such retention is hereby excluded.
- 10.6 The depositor shall not offset against any counter-claims any claims by WF for storage fees or services provided or any other claims.

11. GENERAL PROVISIONS

- 11.1 Amendments and addenda to the Storage Contract and these GTC must be made in writing. This provision also applies to this requirement for the written form.
- 11.2 Should any of these provisions prove to be invalid or impracticable, the validity of the remaining provisions shall remain unaffected. The invalid or impracticable provision shall then be replaced by a provision that comes as close as possible to the commercial intention of the invalid or impracticable provision.
- 11.3 'Writing' in the sense intended by these GTC means the exchange of expressions of intent via letter or email. The right to other forms of written agreement is reserved.
- 11.4 These GTC are issued in German and English. The German version shall prevail.
- 11.5 WF reserves the right to amend these GTC at any time. Any amendments will be communicated to the depositor via circular letter or other appropriate means and shall be considered approved unless objection is made within one month.

12. JURISDICTION AND APPLICABLE LAW

- 12.1 Unless mandatory law provides for a different or further local or international jurisdiction, all claims disputed between the depositor and WF shall be decided locally exclusively by the courts of Zurich. WF reserves the right to file suit at any other competent court.
- 12.2 Exclusively applicable is Swiss substantive law.