

## Conditions of Business for Seller

All of the provisions agreed upon by the Company with the Seller and with the Buyer are included in these Conditions. The aforementioned provisions may be amended by public notice or verbal notification during the auction. By bidding at the auction, the Bidder agrees to be bound by the aforementioned provisions.

### 1. China Guardian (Hong Kong) Auctions Co., Ltd. as the Agent

Unless otherwise provided, China Guardian (Hong Kong) Auctions Co., Ltd., as the Seller's agent, shall sell the property ("Auction Property") listed in the Contract of Auction by Consignment by public auction. The contract for the sale of the Auction Property shall be the contract between the Seller and the Buyer (namely the Bidder who made the highest bid accepted by the Auctioneer). These Conditions, the Conditions of Sale set out in the Catalogue as well as all other terms, conditions and notices contained in the Catalogue or announced by the Auctioneer or posted in the form of notices in the auction venue shall constitute the provisions agreed upon between the Seller and the Buyer and/or China Guardian (Hong Kong) Auctions Co., Ltd. as Auction Agent.

### 2. Definitions and Explanations

(1) Unless otherwise required by the context, the following terms herein shall have the meanings assigned to them below:

(i) "Company" or "Auction Agent" means China Guardian (Hong Kong) Auctions Co., Ltd.;

(ii) "Seller" means any person, company, body corporate or entity that offers Auction Property for sale. Unless otherwise stated or specifically required by the context, the term "Seller" herein shall include the Seller's agent (excluding the Company);

(iii) "Seller's Commission" means the commission that the Seller must pay to the Company pursuant to the Contract of Auction by Consignment;

(iv) "Bidder" means any person, company, body corporate or entity that contemplates, makes or attempts a bid in any manner. Unless otherwise stated or specifically required by the context, the term "Bidder" shall include the Bidder's agent;

(v) "Buyer" means the Bidder, including the principal of a person bidding as an agent, the highest bid or offer of whom is accepted by the Auctioneer in the auction held by the Company;

(vi) "Buyer's Commission" means the commission that the Buyer must pay based on the Hammer Price at the rate specified in the Company's Conditions of Sale;

(vii) "Auction Date" means, for a particular auction, the date announced by the Company on which the auction will officially commence;

(viii) "Auctioneer" means the person that the Company designates to preside over a particular auction;

(ix) "Auction Property" refers to the Auction Property listed in the Contract of Auction by Consignment;

(x) "Sale Date" means the date on which the transaction of an Auction Property is confirmed by the striking of the hammer by the Auctioneer or other public indication by the Auctioneer that a deal has been struck in the auction held by the Company;

(xi) "Hammer Price" means the highest bid accepted by the Auctioneer by striking the hammer, or, in the case of a post-auction transaction, the agreed upon sale price;

(xii) "Sales Proceeds" means the net amount paid to the Seller, being the balance remaining after deducting from the Hammer Price the Seller's Commission, taxes, levies, Various Charges and other monies payable to the Company by the Seller;

(xiii) "Purchase Price" means the total amount that the Buyer must pay for his or her purchase of an Auction Property, including the Hammer Price plus the Buyer's Commission, and the taxes, levies, interest and Various Charges payable by the Buyer;

(xiv) "Various Charges" means the expenditures and expenses relating to the sale of Auction Property by the Company, including but not limited to the charges incurred by the Company for the purchase of insurance for the Auction Property, preparation of the Catalogue and other manner of Auction Agent publicity materials, advertisements, reproductions, displays, packaging, transportation, customs duties, storage, custody, reproduction right fees, charges for the testing, investigation, searching or authentication of any Auction Property or the expenditures, legal fees, etc. for recovery from a defaulting party;

(xv) "Reserve" means the confidential minimum selling price for an Auction Property proposed by the Seller and determined with the Company in the Contract of Auction by Consignment;

(xvi) "Estimated Price" means the estimated sales price of an Auction Property indicated in the Catalogue or after other introductory text, and excluding the Buyer's Commission;

(xvii) "China" means the People's Republic of China which, for the purposes hereof, excludes Hong Kong, the Macau Special Administrative Region of China and Taiwan;

(xviii) "Hong Kong" means the Hong Kong Special Administrative Region of China.

(2) Unless otherwise required by the context:

(i) The Seller and the Company are herein collectively referred to as the "Parties", and a "Party" refers to either Party;

(ii) Any mention of legal provisions shall be construed as including any future amendments to, or re-enactment of, such provisions;

(iii) Any mention of "person" shall include natural persons, companies, legal persons, enterprises, partnerships, individual proprietorships, governmental or social organizations and organizations comprised of more than one of the foregoing;

(iv) Any mention of "Article" or "Clause" refers to the Articles or Clauses hereof;

(v) The headings are provided for ease of reference only, and shall not affect the interpretation hereof.

(3) As required by the context, the singular of a term herein includes the plural thereof, and vice versa.

### 3. Applicable Scope

Any Seller participating in the auction of cultural artifacts, works of art and other such collectibles organized and conducted by the Company shall act in accordance herewith.

### 4. Consignment Procedure

When the Seller consigns an article to the Company for auction, he or she shall, if he or she is an individual, have a photo identity document (such as a resident identity card or passport) issued by the government, and execute a Contract of Auction by Consignment with the Company; or it shall, if it is a company or other organization, execute a Contract of Auction by Consignment with the Company on the strength of a valid document of incorporation and the identity document of the legal or authorized representative or a lawful document evidencing such authorization.

### 5. Seller's Agent

If the Seller wishes to appoint an agent to auction an article on his or her behalf, he or she shall present the relevant document evidencing the appointment and provide the lawful identity documents of the Seller and the agent to the Company, and execute a Contract of Auction by Consignment with the Company. The Company has the right to verify the aforementioned appointment in a manner that it deems reasonable.

### 6. Representations and Warranties of the Seller

(1) The Seller gives the following irrevocable warranties to the Company and the Buyer in respect of the Auction Property that he or she consigns to the Company for auction:

(i) the Seller is the beneficiary owner of the Auction Property, or has been duly authorized by the beneficiary owner of the Auction Property, and has the right to transfer the ownership of the Auction Property to the Buyer without limitation by third party rights (including copyrights) or claims;

(ii) To the best of his or her knowledge, the Seller has given a full and detailed disclosure and account, without omissions or false statements, of the following to the Company in writing: (a) the origin of, and defects in, the Auction Property; (b) whether the Auction Property contains materials from endangered animals; (c) any concern raised by a third party in respect of the ownership, condition, authenticity or attributes of the Auction Property, or the export or import of the Auction Property; (d) any other facts or information that could affect the salability or transferability of the Auction Property; (e) any major modifications to the Auction Property of which the Seller is aware; and (f) any concerns raised by a third party concerning the ownership, condition or vesting of the Auction Property of which the Seller is aware;

(iii) The Seller has satisfied all the legal or other related requirements connected with the import and export of the Auction Property, has duly carried out all the declarations that must be provided in connection with the import and export of the Auction Property, and has paid in full the customs duties and taxes relating to the import and export of the Auction Property;

(iv) The Seller has paid or shall pay all the taxes relating to the Sales Proceeds from the Auction Property, and has notified the Company in writing of the overseas taxes payable by the Company on the behalf of the Seller;

(v) Unless the Company receives prior contrary instructions in writing from the Seller, the Company has the right to exhibit or display the Auction Property, produce photos, illustrations, a Catalogue or other manner of video recording or publicity materials of or for the Auction Property;

(vi) If the Auction Property contains electrical or mechanical components, the Seller shall ensure that it is in safe working order when reasonably used for its designed purpose, and, in respect of a surface examination, there are no obvious defects that could be shown to jeopardize life or health, failing which, the Seller shall be liable for compensating for all the losses incurred by the Company and/or the Buyer as a result thereof, and bear all expenses and expenditures for claims arising therefrom and pay compensation in full for all legal expenses, unless the Seller had already expressed a contrary opinion in writing at the time he or she delivered the Auction Property to the Company;

(vii) If the Seller breaches the foregoing warranties, the Company shall have the right to cancel the relevant auction, and the Seller shall repay in full to the Company and/or Buyer all claims, expenses and expenditures arising from, caused by or incurred in connection with the monies derived from the sale of the Auction Property. If a claim is caused to be lodged or a legal action to be instituted by the real owner of, or any third party claiming title to, the Auction Property, causing the Company and/or the Buyer to suffer a loss, the Seller shall be liable for compensating for all the losses incurred by the Company and/or the Buyer as a result thereof, and bear all expenses and expenditures for claims arising therefrom and pay compensation in full for all legal expenses;

(viii) The Seller is aware that the Company has the right to charge a commission and charges to the Buyer in respect of the Auction Property set out in this Contract of Auction by Consignment at a percentage to be decided by the Company, and agrees that the Company may, in accordance with Article 34 hereof, use the personal information of the Seller or other information obtained by it. Additionally, the Seller agrees that the Company may disclose his or her personal information to other affiliates of the Company or third party service providers in accordance with Article 34 hereof, and that the countries or regions where such affiliates or third party service providers are located may not provide the same standard of protection of personal information as Hong Kong.

(2) The Seller confirms that he or she is familiar with the Conditions of Sale, and confirms that he or she does not disagree with the provisions thereof.

#### 7. Retention of the Auction Property

The Company shall have the right to retain the Auction Property until it has received all the monies payable by the Seller pursuant hereto. If the Company is notified or learns that a third party has lodged a claim in respect of the ownership, possession or control of the Auction Property, it shall also have the right, under all circumstances, to retain the Auction Property for a reasonable period of time.

#### 8. Disclaimer

The description and assessment of any Auction Property in whatever form (including the Catalogue, description of condition, report, announcement, slide show, news media, internet media, etc.) by the Company, or any employee or agent of the Company are opinions of a reference nature, and do not constitute any guarantee in respect of the Auction Property. Neither the Company nor its employees or agents shall be liable for inaccuracies or omissions in the aforementioned description or assessment.

#### 9. Estimated Price and Reserve

An Estimated Price is estimated some time before the Auction Date, is not a set selling price, and is not legally binding. No Estimated Price may serve as a forecast of the Hammer Price for an Auction Property, and the Company has the right to revise from time to time Estimated Prices that have already been made.

Unless otherwise indicated or stated, a Reserve is set for all of the Company's Auction Properties. Once the amount of the Reserve is determined by the Parties, a change thereof shall require the prior written consent of the other Party. The Reserve may not be higher than the lowest Estimated Price announced or published by the Company before the auction. If a Reserve has not been set for an Auction Property, unless there already have been bids, the Auctioneer shall have the right, at his or her discretion, to decide the starting price, which, however, may not be higher than the lowest Estimated Price of the Auction Property before the auction.

The term "auction with reserve" means that if the highest bid at auction is lower than the designated amount, the Auction Property will not be sold. Under no circumstance shall the Company bear any liability in the event that the bids for an Auction Property fail to reach the Reserve at the auction held by the Company. The Company shall have the right, at its discretion, to sell the Auction Property at a price lower than the Reserve. However, under such a circumstance, the Company shall pay the Sales Proceeds to the Seller using the Reserve of the Auction Property as the Hammer Price, and the Seller shall pay the commission to the Company using the Reserve as the Hammer Price.

#### 10. Discretion of the Company Before the Auction

Before the auction, the Company shall have sole discretion in the following matters:

(1) To give any description and/or account and/or assessment of any Auction Property in the Catalogue or any other notice, report or document and/or by way of the news media and/or other media;

(2) Whether or not to seek the opinion of any external experts or custodian, agent or other third parties, and perform or carry out the duty of care, requirements, research or inspection relating to the Auction Property or the origin of the Auction Property before and after the sale, and the Company shall not bear any liability in respect of any acts or negligence by the aforementioned third parties;

(3) Such arrangements as the sequence, position, display size, etc. of the illustrations of the Auction Property in the Catalogue as well as the fee schedule therefor; the method of exhibiting/displaying the Auction Property; the various arrangements for the Auction Property in the course of the exhibition/display thereof and the rates of the charges payable therefor;

(4) Unless otherwise agreed by the Company and the Seller, the Company shall have sole discretion to decide whether or not a particular Auction Property is suitable for auction by the Company (i.e. whether it is ultimately put up for auction), to withdraw an Auction Property from auction, combine it with other Auction Property for auction or split it up into different categories for auction, as well as the auction venue, number of auction sessions, Auction Date, auction conditions and auction method, etc.;

(5) The Company may, depending on any such circumstances as the auction conditions and auction method, announce before the Auction Date the conditions and procedure for Bidders to obtain paddles, including but not limited to formulating the qualification conditions for Bidders to obtain a paddle. When a Bidder wishes to participate in the auction by the Company, he or she shall pay an auction deposit before collecting his or her paddle. The amount of the auction deposit shall be announced by the Company before the Auction Date, and the Company has the right to reduce or waive the auction deposit. The Company has the right, at its discretion, to refuse anyone from participating in the auction organized by the Company or from entering the auction venue, and the right to refuse or accept any bid.

#### 11. Liability of the Company and Release from, and Limitation of, Liability

(1) Neither the Company nor its employees shall bear any liability in respect of the following matters:

- (i) any errors or oversights in the information provided by the Company to the Seller verbally or in writing; or
- (ii) any act or negligence by the Company in connection with preparing for the auction or with the auction itself.

(2) Without prejudice to Clause (1) above, the measure of damages in any legal action instituted by the Seller against the Company may not be higher than the Sales Proceeds from the Auction Property. Under no circumstance shall the Company or its employees be liable for any indirect losses incurred by the Seller.

#### 12. Auction Property Not Put Up for Auction

If, after the Seller executes a Contract of Auction by Consignment with, and delivers the Auction Property to, the Company, the Company deems for any reason that a particular Auction Property is not suitable for auction by the Company, the Seller shall recover the Auction Property in question (packaging and transportation at its own expense) within thirty days from the date of receipt of the collection notice from the Company and the Contract of Auction by Consignment between the Company and the Seller shall terminate on the date the Seller collects the Auction Property in question. The Seller may collect the Auction Property only after paying the relevant charges in full. If the Seller fails to recover the Auction Property by the aforementioned deadline, the Contract of Auction by Consignment between the Company and the Seller shall terminate on the expiry date of the aforementioned deadline. If the Seller still fails to recover the Auction Property within seven days after termination of the Contract of Auction by Consignment, he or she shall pay a daily storage fee to the Company at the amount specified in the Contract of Auction by Consignment starting from the eighth day after the termination of the Contract of Auction by Consignment. If the Seller still fails to recover the Auction Property within 90 days after the termination of the Contract of Auction by Consignment, the Company shall have the right to handle matters in accordance with Article 32 hereof.

#### 13. Suspension of the Auction

If any of the following circumstances arises, the Company shall have the right to decide to suspend the auction of any Auction Property at any time before the actual auction, and retain the Auction Property until such time as the circumstance set forth below is resolved:

(1) the Company has doubts as to the ownership or authenticity of the Auction Property;

(2) a third party has doubts as to the ownership or authenticity of the Auction Property and can provide relevant supporting materials that the Company deems reasonable or that serve as support for the existence of the doubts, and, additionally, indicates in writing that he or she agrees to bear all of the legal liability for the legal consequences and all

losses arising due to the suspension of the auction;

(3) there are doubts as to the accuracy of the description given by the Seller or the Seller's warranties set forth in Article 6 hereof;

(4) there is evidence showing that the Seller has breached or is on the verge of breaching any of the provisions hereof;

(5) there exists any other reason deemed reasonable by the Company.

#### 14. Withdrawal of the Auction Property

Unless the Company has committed a material breach of its obligations hereunder, the Seller may not withdraw the Auction Property without the consent of the Company.

The Seller may withdraw his or her Auction Property at any time before the Auction Date after giving the Company written notice explaining the reason therefor. However, if at the time of withdrawal of the Auction Property, the Auction Property has already been listed in the Catalogue or other publicity materials and the printing thereof has started, he or she shall pay an amount equivalent to 20 percent of the insured amount of the Auction Property and pay the other Various Charges. If the Catalogue or any other publicity materials have not yet been printed, he or she shall still pay an amount equivalent to 10 percent of the insured amount of the Auction Property and pay the other Various Charges.

If the Seller withdraws the Auction Property, he or she shall recover the Auction Property and pay the aforementioned charges within 30 days from the date of receipt of the collection notice from the Company. The Seller may collect the Auction Property (packaging, transportation and transport insurance at his or her own expense) only after he or she has paid the aforementioned charges in full. If he or she fails to recover the Auction Property by the deadline, he or she shall pay a daily storage fee to the Company in the amount specified in the Contract of Auction by Consignment starting from the day immediately following the expiration of the deadline. If the Seller still fails to recover the Auction Property within 90 days after the expiration of the deadline, the Company shall have the right to handle matters in accordance with Article 32 hereof.

The Company may withdraw the Auction Property at any time (or sell the same within a reasonable period of time decided at the Company's sole discretion) if: (i) the Company reasonably suspects the ownership, authenticity or origin of the Auction Property; or (ii) the Company reasonably suspects the accuracy of the representations given in Article 6 hereof; or (iii) the Seller commits a material breach hereof; or (iv) the Company has reason to believe that accepting the Auction Property could result in a legal claim against, or damage the goodwill of, the Company. Except in the event that the Company commits a material breach hereof, the Seller must pay to the Company the charges specified in Article 3 of the Contract of Auction by Consignment and those bearable by the Company as described in Articles 16, 22, 23, 24 and 29 hereof in respect of his or her withdrawal of any Auction Property.

Any dispute or claim arising in connection with the withdrawal of the Auction Property by the Seller shall be borne solely by the Seller, and shall be of no concern to the Company.

#### 15. Automatic Insurance Coverage

Unless otherwise instructed in writing by the Seller, once the Seller has executed the Contract of Auction by Consignment with, and delivered the Auction Property to, the Company, and the same has been inspected and deemed satisfactory by the Company, all of the Auction Property shall automatically be covered by the insurance taken out by the Company. The insured amount shall be equivalent to the Reserve determined by the Company and the Seller in the Contract of Auction by Consignment (should there be no Reserve, it shall be the insured amount agreed upon for the Auction Property; if the Reserve is adjusted, it shall be the equivalent of the adjusted Reserve for the Auction Property).

The insured amount shall apply only to the taking out of insurance with an insurance company and when a claim is filed with the insurance company after the occurrence of an insured event, and is not a guarantee or warranty of the value of the Auction Property given by the Company, and does not imply that if the Auction Property is auctioned off by the

Company, it can be sold for an amount equivalent to the insured amount.

#### 16. Insurance Premium

The Company has the right to charge a fee of one percent of the Hammer Price or the insured amount when the Auction Property is not yet sold to take out insurance on behalf of the Seller. Although, subject to a special declaration, the Company may designate an insurer on the behalf of the Seller, this does not mean that the Company will bear any relevant liability as a result thereof.

#### 17. Insurance Term

If the Auction Property is successfully sold at auction, the insurance term shall run until the seventh day following the Sale Date or to the date on which the Buyer collects the Auction Property (whichever is earlier); if the auction of the Auction Property is unsuccessful, the insurance term shall run until the expiration of 30 days following the date of receipt by the Seller of the notice from the Company informing him or her to collect the Auction Property.

#### 18. Insurance Arranged by the Seller

If the Seller informs the Company in writing before delivery of the Auction Property to the Company that the Company does not need to take out insurance for his or her Auction Property, the risks shall be solely borne by the Seller, and the Seller shall bear the following liability at any time (unless otherwise decided by a court or arbitration institution) until such time as the Buyer has paid all of the Purchase Price:

(1) To pay compensation for a claim lodged or legal action instituted against the Company by any rights holder in respect of the destruction, damage or loss of the Auction Property;

(2) For damages in respect of all the losses incurred and all the expenses paid (including the loss of commission and the Various Charges) by the Company or any rights holder as a result of the destruction, damage or loss of the Auction Property for any reason;

(3) To notify any insurer of the Auction Property of the compensation provisions of this Article;

(4) To provide to the Company a photocopy of the insurance policy and the written waiver of subrogation issued by the Seller's insurer, i.e. that the insurer waives the right to seek indemnification from the Company on behalf of the Seller, and that the beneficiary of the insurance policy issues a written confirmation indicating that he or she waives the right to file a claim with the insurer in respect of the claim against the Company;

(5) To waive the right to assert any rights against the Company in respect of the destruction, damage or loss of the Auction Property, unless such destruction, damage or loss is due to a willful and gross improper act by the Company.

#### 19. Insurance Disclaimer

The Company shall not be liable for damages for any destruction, damage or loss of the Auction Property due to natural wear and tear, existing defects, inherent or latent flaws, change in the substance itself, spontaneous combustion, spontaneous heating, oxidation, corrosion, leakage, rodent damage, insect damage, atmospheric (climate or air temperature) change, change in humidity or temperature, change in normal water level or other transitional change or due to earthquake, tsunami, war, warlike act, hostilities, military conflict, terrorist activities, political conspiracy, coup d'état, strike, riot, social unrest, or nuclear fission, nuclear fusion, nuclear weapon, nuclear materials, nuclear radiation or radioactive contamination, or the destruction, damage or loss of a picture frame or glass, box, backing sheet, stand, mounting, inserts, rolling rod or other similar auxiliary object arising for any reason.

#### 20. Insurance Indemnity

In the event that the Auction Property is destroyed, damaged or lost in an incident or disaster covered by the insurance purchased for the Auction Property by the Company, the Company shall pay to the Seller the balance of the insurance indemnity remaining after deducting the Seller's Commission and relevant expenses after it has filed a claim with the

insurance company and obtained the insurance indemnity. The insurance indemnity shall be no greater than the Hammer Price of the Auction Property, if it has been sold, or the Reserve, if the Auction Property was not sold or has not been put up for auction.

#### 21. Bidding Prohibition

The Seller may neither bid for the lots that he or she has consigned to the Company for auction, nor appoint another to bid thereon on his or her behalf. However, the Company has the right to participate in the bidding on behalf of the Seller at an amount not higher than the Reserve. If the Seller breaches this prohibition, the Company may treat the Seller as both Seller and Buyer, in which case it shall have the right to charge the Seller both the Seller's commission and the Buyer's commission at a rate no lower than the Reserve.

#### 22. Commission and Charges

Unless otherwise provided by the Seller and the Company, the Seller agrees that the Company may deduct the Seller's Commission at the rate of 10 percent of the Hammer Price as well as the other Various Charges. The Seller also acknowledges that the Company may charge the Buyer the Buyer's Commission and other Various Charges in accordance with the Conditions of Sale.

#### 23. Relevant Charges

The Seller shall bear all of the following relevant charges in connection with the Auction Property:

- (1) the expenses for packing and transporting the Auction Property to the Company;
- (2) any applicable transport insurance premiums;
- (3) the insurance premium specified herein;
- (4) any applicable customs duties (if any);
- (5) marketing expenses (including the Catalogue charge);
- (6) the expenses for repairing the Auction Property as agreed by the Seller;
- (7) the charge for mounting;
- (8) the storage fee;
- (9) any applicable value added tax/consumption tax (if any).

#### 24. Unsuccessful Sale Handling Fee

If the highest bid on an Auction Property is lower than the Reserve amount and sale is unsuccessful, the Seller authorizes the Company to charge it an unsuccessful sale handling fee calculated at 3 percent of the Reserve, and additionally charge him or her the other Various Charges.

#### 25. Payment of the Sales Proceeds

If the Buyer has paid all of the Purchase Price to the Company in full in accordance with the Conditions of Sale, the Company shall pay the Sales Proceeds in Hong Kong dollars to the Seller 35 days following the Sale Day. If the Seller requests that settlement be made in a currency other than the Hong Kong dollar, the Seller must bear all the expenses arising therefrom.

#### 26. Delay of Payment

The Company is under no obligation to investigate the Buyer's payment capacity.

If the Company charges the Buyer interest for late payment, it shall have the right to retain such interest.

If the Company has not received all of the Purchase Price from the Buyer by the expiration of the payment deadline specified in the Conditions of Sale, the Company will pay the Sales Proceeds to the Seller within 7 working days from the date it actually receives all of the Purchase Price paid by the Buyer (however, such deadline shall also be 35 days following the Sale Date).



If the Company has not received all of the Purchase Price from the Buyer by the expiration of the payment deadline specified in the Conditions of Sale, the Company shall have the right (but not the obligation) to pay the Seller an amount equivalent to the Sales Proceeds, in which case the Company shall secure the ownership of the Auction Property, and all of the benefits arising from the Seller's representations, warranties and indemnities hereunder.

The Seller agrees to inform the Company of the actions he or she takes against the Buyer to collect or recover payment.

#### 27. Cancellation of Transaction

If the Buyer still fails to pay all of the Purchase Price to the Company in full within 90 days from the Sale Date, the Seller shall, after giving the Company written notice and the Company giving its consent, have the right to cancel the transaction, and the Company shall give the Buyer notice of cancellation of the transaction within 7 working days from the date on which the Company rendered its decision agreeing to cancellation of the transaction by the Seller. If, at the time the Seller serves the notice of cancellation of the transaction on the Company, the Buyer has paid all of the Purchase Price in full and/or has completed the procedure for taking delivery of the goods, the Seller's notice of cancellation of the transaction shall automatically be deemed void, performance of the relevant transaction shall continue, and the Seller shall offer the necessary cooperation and may not raise any objections in respect thereof. If the Seller cancels the transaction, he or she shall recover the Auction Property (packaging and removal at his or her own expense) within 30 days from the date of receipt of the collection notice from the Company. If the Seller fails to do so by the deadline, he or she shall pay the Company a daily storage fee in the amount specified in the Contract of Auction by Consignment starting from the day immediately following the expiration of the deadline. If the Seller still has not recovered the Auction Property within 90 days after the expiry of the deadline, the Company shall have the right to handle matters in accordance with Article 32 hereof.

#### 28. Remedies for Non-payment

The Company shall decide at its sole discretion whether to avail itself of the remedies for non-payment specified in the Conditions of Sale. The Company shall take reasonable measures to inform the Seller of its availing itself of the remedies. The Company shall retain the interest (if any) that it receives as a result thereof.

#### 29. Taxes

(1) The Company shall not bear the taxes payable by the Seller, and the Seller shall bear them himself or herself in accordance with relevant laws currently in force.

(2) The Company will determine if the Seller is a Hong Kong resident based on the Seller's representations and the documents and materials he or she provided, and apply the following provisions:

(i) If the Seller is a Hong Kong resident (whether a company or individual), the Company shall not be required to withhold Hong Kong income tax on behalf of the Seller. If the Company subsequently discovers that the Seller's representations or documents are false, the Company retains the right to recover from the Seller Hong Kong taxes and other relevant expenses (such as interest, fines, etc.).

(ii) If the Seller is not a Hong Kong resident (whether a company or individual), or refuses to provide information or documents evidencing his or her status as a Hong Kong resident, or the supporting documentation provided is insufficient, the Seller agrees that the Company may, pursuant to Section 20A(3) of the Inland Revenue Ordinance (Cap 112), directly deduct the relevant percentage from the Hammer Price or the Reserve of the Auction Property (if the Reserve of the Auction Property is higher than the Hammer Price) as post-auction consignment tax (profit tax), which the Company shall declare and pay to the Inland Revenue Department on behalf of the Seller. If the Inland Revenue Department revises the tax rate, the Company may calculate the tax at the new tax rate.

#### 30. Post-auction Transaction

If the auction of an Auction Property is unsuccessful, the Company shall have the right to sell the same within 60 days after the conclusion of the auction, unless the Seller has expressed a contrary opinion to Guardian in writing, in which case the Sales Proceeds that the Company pays to the Seller shall not be lower than the Sales Proceeds that would have been receivable by the Seller if the Auction Property were sold at the Reserve, or such lower amount as agreed by the Seller. Under such a circumstance, the liability that the Seller bears toward the Company and the Buyer shall be identical to that were the Auction Property auctioned off at the auction.

### 31. Unsuccessful Sale of the Auction Property

If auction of the Auction Property is unsuccessful, no post-auction transaction is conducted pursuant to article 30 hereof, and the Seller does not reappoint the Company to put it up for auction, the Seller shall recover the Auction Property (packaging and transportation at his or her own expense) and pay to the Company the unsuccessful sale handling fee and the other Various Charges within 30 days from the date of receipt of the collection notice from the Company.. The Seller may collect the Auction Property only after he or she has paid in full the aforementioned charges. The Contract of Auction by Consignment between the Company and the Seller shall terminate on the date the Seller collects the Auction Property. If the Seller fails to recover the Auction Property by the aforementioned deadline, the Contract of Auction by Consignment between the Company and the Seller shall terminate on the date the aforementioned deadline expires. If the Seller still fails to recover the Auction Property within seven days after termination of the Contract of Auction by Consignment, he or she shall pay a daily storage fee to the Company in the amount specified in the Contract of Auction by Consignment starting from the eighth day following the termination of the Contract of Auction by Consignment. If the Seller still has not paid the charges in full or recovered the Auction Property within 90 days after termination of the Contract of Auction by Consignment, the Company shall have the right to handle matters in accordance with Article 32 hereof.

### 32. Delayed Recovery of the Auction Property

The Seller shall bear sole liability for all of the risks and expenses arising in connection with his or her failure to recover the Auction Property by the deadline specified herein. If the Seller is required to recover the Auction Property in accordance herewith due to the Auction Property not having been put up for auction, the Seller having withdrawn the Auction Property, the unsuccessful auction of the Auction Property, the Company or the Seller canceling the auction transaction, etc. but delays the recovery thereof, the Company shall have the right to sell the Auction Property by public auction or by other means and under conditions deemed suitable by the Company after the expiration of the deadline specified herein. If there is a balance remaining from the proceeds derived from the disposal of the Auction Property after deduction of all the losses and expenses (the Seller's Commission and Various Charges calculated for the initial auction, the Seller's Commission and the Various Charges for the subsequent auction, storage fee, insurance premiums, transport costs, notaries' fees, etc.) incurred by the Company as a result thereof, the same shall be collected by the Seller himself or herself without interest.

Regardless of whether or not the Seller delays recovery of the Auction Property, if the Seller requests that the Company assist him or her in returning his or her Auction Property, the risks of, and charges for, such return shall be borne by the Seller, unless otherwise particularly specified and he or she bears the insurance premiums. In general, insurance is not taken out during transport.

### 33. Discretion of the Company

The Company may decide the following matters based on the specific circumstances:

1. To agree to payment of the Purchase Price subject to special payment conditions;
2. To transport, store and take out insurance for an Auction Property that has been sold;
3. To resolve a claim made by the Buyer or the Seller pursuant to the relevant provisions hereof;

4. To take other necessary measures to collect the amount owed by the Buyer;

5. If the Company deems it necessary to have the Auction Property authenticated, it may have such authentication carried out. If the authentication conclusions are inconsistent with the condition of the Auction Property as described in the Contract of Auction by Consignment, the Company shall have the right to amend or terminate the Contract of Auction by Consignment;

6. If an Auction Property is reasonably determined by the Company to be a forgery, the Company shall have the right to cancel the transaction of the Auction Property in question. The Seller shall return to the Company all of the Sales Proceeds relating to the Auction Property that the Company has paid him or her within 10 days of receipt of the written notice of cancellation of the transaction issued by the Company, and bear all of the expenses incurred by the Company in connection with the cancellation of the transaction. Once the Company has received the entire amount returned by the Seller and the charges payable by him or her, it shall return the Auction Property to the Seller. If the Company is unable to return the Auction Property to the Seller for a reason beyond the Company's control (including an act by a third party), the Company shall have the right to retain the Sales Proceeds from the Auction Property.

#### 34. Collection of Information and Video Recording

For the purposes of carrying out its auction business, the Company may make audio recordings, video recordings or keep a record of any auction process, it will also require the Seller to provide personal information or collect relevant information from third parties, and the Seller agrees that the Company may use the aforementioned information to provide him or her the auction and related services. The Company is under obligation to keep the aforementioned information of the Seller obtained by it confidential.

#### 35. Copyright

The Seller authorizes the Company to produce photos, illustrations, a Catalogue, or other form of video recording of, and publicity materials for, the Auction Property that he or she consigns to the Company for auction, and the Company enjoys the copyrights therein, and has the right to use the same.

#### 36. Notices

The notifications or notices given by the Company to the Seller pursuant to the Contract of Auction by Consignment and these Conditions, shall, if sent in writing to the address, email address or fax number (hereinafter collectively referred to as "Contact Information") recorded in the Contract of Auction by Consignment and these Conditions, be deemed lawfully given as agreed. In the event of a change in the Seller's Contact Information, he or she shall promptly notify the Company thereof in writing.

The notices, demands and other communications provided for under the Contract of Auction by Consignment and these Conditions shall be given in writing and served at, or sent to, the Seller's address or fax number recorded in the Contract of Auction by Consignment and these Conditions (or such other address or fax number as communicated to the other Party by the recipient in writing seven days in advance).

A notice, demand or other communication given to the relevant Party based on the information in question shall be deemed served at the following times:

1. If served by hand, when delivered to the address of the relevant Party;
2. If sent by post, the seventh day after the postage date;
3. If sent by fax, when the sending fax machine confirms the transmission.

#### 37. General Matters

Without the written consent of the other Party, neither Party may grant or transfer any of his, her or its rights and responsibilities under the Contract of Auction by Consignment and these Conditions to a third party.

The Contract of Auction by Consignment and these Conditions constitute the entire contract between the Parties in respect of the subject matter of the Contract of Auction by Consignment and these Conditions, and supersede all previous verbal contracts, written contracts and records on the subject matter of the Contract of Auction by Consignment and these Conditions.

#### 38. Severability

If any provision or part hereof is found to be invalid, unlawful or unenforceable for any reason, the other provisions and parts hereof shall remain valid, and the relevant Parties shall abide by and perform the same.

#### 39. Law and Jurisdiction

These Conditions and related matters, transactions, and any disputes arising from, or in connection with, participation in the auction conducted by the Company pursuant hereto shall be governed by, and construed in accordance with, the laws of Hong Kong, and the Company and the Seller must submit to the exclusive jurisdiction of Hong Kong courts.

#### 40. Language

The Chinese language version hereof shall be the governing version and the English language version shall be for reference only.

In the event of a discrepancy between the English language version and Chinese language version, the Chinese language version shall prevail.

#### 41. Ownership of Copyright in the Conditions

These Conditions are formulated and shall be revised by the Company, and the relevant copyrights shall vest in the Company. Without the prior written permission of the Company, no one may use these Conditions in any manner or way to obtain commercial benefits, and may not take copies of, communicate or store in any searchable system any part hereof.

#### 42. Term of Applicability

These Conditions shall apply solely to the auction of the Auction Property specified in the Contract of Auction by Consignment. The Company may update these Conditions from time to time. If the Consignor re-appointed the Company, the then applicable Conditions of Business for Seller shall prevail.

#### 43. Right of Interpretation

During routine performance hereof, the right to interpret these Conditions shall be exercised by the Company. In the event of a legal dispute between the Seller and the Company, the right to interpret these Conditions, when resolving the dispute, shall be exercised by the competent court.

Date of this version: 8 March 2013