



## REDEMPTION OF TAT

**Redemption of TATs (TheArtToken) or the conversion of TATs into works of art is possible in principle.**

1. The holding period is calculated per investor according to the number tokens held.
  - The calculation is based on the capital weighted average of the period of purchase of all registered tokens redeemed.
    - For example, if 100 TATs were purchased on day 1, 50 TATs on day 50, and another 25 TATs on day 100, then the weighted holding period is 23.5 days
  - There is no minimum retention period defined. The following deductions to the token value are calculated based on the holding period.
    - Less than one year (365 days): 30% deduction
    - Between 1 year and 2 years (366 and 730 days): 15% deduction
    - No deduction will be charged for 731 days or more
2. The value of the tokens (see above for calculation and restriction) can be converted into works of art, if the value is at least USD 5,000 or more.
  - The value basis is the proportion of tokens held in relation to all tokens issued multiplied by the last NAV report determined.
  - The NAV consists of the value of all art held by TheArtToken. This is the basis for all art redemption requests.
  - TheArtToken will prepare an offer of works of art in the amount of the value determined.
  - The syndicate manager has the option to settle the claim in full or in cash, the portion of which is chosen by that person.
3. The costs incurred for the process of surrendering (handling, transport, possibly customs duties) are to be paid by the token holder completely and directly to the service providers or customs authorities.

## PROCESS OF REDEMPTION

1. The token holder declares his or her interest in converting the tokens held into physical works of art to TheArtToken in writing with the following information:
  - a) Name and address of the token holder
  - b) Email address
  - c) Wallet number
  - d) Token numbers
  - e) Reference data of the tokens
2. The receipt of the request is confirmed to the token owner by email. Upon receipt of the request and verification of the legality of ownership, the effective value of the tokens will be calculated at the deadline (= 2 working days after receipt of the request).
3. TheArtToken will send an offer of artwork(s) to the token holder.
4. If this offer is accepted in writing by the token holder within 10 days, TheArtToken will inform the logistics provider of the transfer of the artwork to the token holder.
5. Prior to the transfer of the artworks the token holder sends his or her tokens to the wallet of TheArtToken, which, in turn, will destroy these tokens after the artworks have been released.

Redemption is fully completed upon the transfer of the tokens to TheArtToken and the delivery of the artwork(s) to the token holder. Possible differences between the total value of the tokens and the works of art can be settled with TATs.