

# Agreement

between

Gallery XY

and

YZ

concerning

Cooperation

1. **Written agreement**

The following agreement is based on the understanding that both the Artist and the Gallery wish to cooperate closely, and that both the partners have their own interest in satisfying the other partner.

The parties shall therefore behave with good faith in business dealings, and they promise one another that they shall undertake nothing which might be detrimental to the other contractual partner.

2. **Term of the cooperation**

This agreement is concluded for an unlimited term, and it may be terminated by any party provided that a notice period of one year is observed.

During the term of the cooperation, the Gallery is deemed to be the exclusive business partner of the Artist. Exceptions to the foregoing may be arranged by mutual agreement. Such exceptions must be in the written form in order to be valid.

3. **Works, Gallery's inventory**

The Gallery shall receive the works on a commission basis. The Gallery shall be entitled to sell these works at the price agreed with the artist. Loans to museums and other Galleries must be arranged in agreement with the artist. They must be designated as 'on loan' in the relevant exhibition (for example: on loan from Gallery XY). The artist has the right to refuse the loan if it goes against his or her artistic intention.

4. **Individual exhibitions**

The artist shall be entitled to an individual (personal) exhibition at regular intervals. The partners shall define the time of the exhibition(s) well in advance.

5. **Sales by the Gallery**

Sales by the Gallery are undertaken as a commission transaction within the meaning of Article 425, Swiss Law of Obligations. The Gallery Owner shall be entitled to a commission usually amounting to 50% of the proceeds of sale. He or she shall keep accounts of the sales, showing all information which may be used for subsequent documentation and identification of the work of art (for example: title of the work, year created, technique, format, sale price, proportion of commission).

In this contract, the arrangements are agreed without value added tax. As a general rule, the price inclusive of value added tax should be quoted to the purchaser.

6. **Sales from the studio**

Sales direct from the studio to customers shall be handled through the Gallery. If the Artist should nevertheless undertake sales from the studio, the Gallery Owner must be informed of this, and the commission must be agreed with the Gallery. The Artist undertakes to ensure compliance with the jointly agreed sales prices in the Gallery.

7. **Material expenditure and extraordinary costs**

The parties agree that when cost-intensive projects, works, objects or transport operations occur, as well as other extraordinary costs (video installation, costly storage of the works of art, catalogue costs, provision of equipment, etc.), it is a basic principle that the costs shall be taken into account when the accounts for the sales are rendered, and that such costs shall be deducted. The Gallery Owner or Artist must present the partner with a statement of account in this respect. Out of the residual amount, the Artist shall receive 50% as a fee, and the Gallery shall receive the other 50%. If the material expenditure is negligible, it shall be borne by the Artist.

8. **Statement of accounts**

The Gallery must inform the Artist about the sales. The Artist shall have the right to know the whereabouts of the art work, so that he or she may subsequently have access to it if need be. Furthermore, the Gallery shall pay the Artist his/her proportion within 30 days of receipt of the purchase price. If the work is paid for in instalments, the Artist shall be entitled to his/her proportion of the instalments received within 30 days of receipt thereof.

9. **Conditions for the purchase of groups of works**

If a purchaser acquires several works or whole groups of works, the contractual partners must agree the conditions with one another. Unless any other agreement is made, the Gallery and the Artist shall each be entitled to 50% of the proceeds, after the discounts have been granted. Article 7 above shall apply as appropriate.

10. **Insurance of the commissioned goods**

The Gallery Owner undertakes to conclude a Damage and Loss Insurance in respect of the works handed over by the Artist for an exhibition. The inventories shall be insured separately, by agreement with the Artist. A transport insurance from "hook to hook" must also be concluded.

The contractual partners shall define which and how many works in the possession of the Artist shall be handed over to the Gallery for sale on a commission basis. A list of these works shall be compiled.

11. **Photographs / Ektachromes**

The Gallery undertakes to create Ektachromes of the Artist's works at its own costs, to the extent that these are required for direct sales work. The extent must be agreed with the Artist. If the Artist makes photographs available to the Gallery, he/she must have finalised the rights of publication and use directly with the photographer. The same shall also apply in respect of photographs which are commissioned by the Gallery.

12. **Cooperation with second Galleries**

The Artist and the Gallery may reach an agreement whereby so-called "second Galleries" represent the work of the Artist. In this case, the parties shall agree to refrain from any action which would disadvantage the main Gallery in favour of the second Gallery.

The Artist and the Gallery agree that the following conditions are necessary for the second Gallery:

- a) A written agreement is necessary between the first Gallery and the second Gallery. This agreement must clearly regulate the sales area, the term of the contract and the description of the precise activities.
- b) As a basic principle, the present agreements between the Artist and the first Gallery shall also apply to the second Gallery.
- c) All exhibition projects and other activities must be agreed by the second Gallery with the first Gallery and the Artist. Sales to other Galleries must be handled through the first Gallery.
- d) The second Gallery must render accounts to the first Gallery. The second Gallery shall receive ..... % of the sales price for its activity.  
.... % of the net price must be paid to the first Gallery.
- e) Within two months of the conclusion of an exhibition, or 30 days of the conclusion of an activity, the second Gallery must submit a definitive statement of accounts to the first Gallery for approval.
- f) The parties agree that the system of second Galleries must be handled restrictively.

13. **Art consultants**

If an art consultants' company approaches an Artist or a Gallery, these contacts and sales must be handled through the Artist's first Gallery. Any commissions which the Galleries grant to the art consultants shall be debited to the Gallery.

14. **Sales to museums and public institutions**

Sales to museums and other public institutions must be handled in the same way as sales to private individuals. Unless any other agreement is reached, half of the usual business discount to museums shall be debited to the Artist and the other half shall be debited to the Gallery.

15. **"Art on the Building"**

Works ordered for "art on the building" shall also be deemed to be sales, regardless of whether the party placing the order approaches the Artist directly, or via the Gallery. In these cases too, the order must pass through the Gallery's accounts.

16. **Cooperation after termination**

On termination, the Gallery Owner shall have the right to purchase works from the commissioned goods which are in his/her possession. This right shall also apply if the works are actually in his/her possession, but are located (for example) at the second Gallery.

17. **Final settlement of accounts**

The Gallery is obliged to submit a complete statement of accounts to the Artist within three months of termination of the cooperation, and to surrender the remaining commissioned works.

18. **Applicable law**

Swiss law shall apply. The registered office of the Gallery is agreed as the place of jurisdiction.

19. **Contractual penalty**

If the Artist or the Gallery act in gross contravention of the foregoing provisions, the Gallery or the Artist must pay an amount equivalent to half the annual turnover with the Artist in question for each individual case, by way of a contractual penalty (annual turnover = turnover minus Artist's proportion = Gallery's turnover. The annual turnover is calculated from the average turnover with the Artist which was achieved in the last two completed calendar years.) The same shall apply vice-versa to the Artist, subject to the restriction that he/she shall be entitled to hand over art works as a contractual penalty in place of a cash sum.

Gallery XY

YZ