

## **GENERAL TERMS AND CONDITIONS OF DELIVERY AND BUSINESS**

### **I. Application**

1. The following Standard Terms and Conditions of Delivery and Business (hereinafter referred to as the Standard Terms and Conditions) shall apply to all of orders, offers, deliveries and services executed by ML Videoservice (contractor).
2. They shall be deemed to be binding on both parties upon acceptance of the contractor's delivery, service or offer by the customer, however no later than upon the photographic and film material being accepted for publication.
3. If the customer does not accept these Standard Terms and Conditions, it shall lodge written notification to this effect within three work days. Any alternative Standard Terms and Conditions on the part of the customer are hereby rejected. Alternative Standard Terms and Conditions on the part of the customer shall be deemed to be void unless the contractor agrees in writing to be bound by them.
4. In the absence of any express reference to the contrary, these Standard Terms and Conditions shall also apply to all of the contractor's future orders, offers, deliveries and services under the ongoing business relationship notwithstanding the absence of any express reference to them.

### **II. Orders**

1. Any cost estimates provided by the contractor shall be given without engagement. If any increase in costs occurs during production, the contractor shall only report such increase when it becomes evident that the original estimate of the total costs is likely to be exceeded by more than 15 %. If the planned production period is exceeded for reasons beyond the contractor's control, additional remuneration shall be paid on the basis of the agreed time-based fee or in the form of a reasonable increase in the flat-rate fee agreed upon.
2. The contractor may commission third party services which are required for the execution of the production on behalf and for the account of the customer and with the customer's authorization.
3. Subject to any other provisions, the contractor shall be responsible for selecting the photographs to be presented to the customer for approval at the conclusion of production.
4. The placed order becomes legally binding by made out order confirmation provided that there is no objection to this confirmation in writing within the statutory period. Concerning the order execution the information recorded on the contract or the order confirmation is binding. The order confirmation is an integral part of the contract.
5. If the necessary documents for editing (files, photos etc.) do not arrive at ML Videoservice in due time, the project will be finalized without the implementation of these documents at the contractor's discretion (in this case there is no obligation of warning on behalf of the contractor).

6. The place and compliance period of the project will only be stipulated just like after an ensued draft orally, as well as in writing. The contractor (ML Videoservice) does not commit himself to accomplish the requested performances at another place and at another time.
7. The photographs shall be deemed to have been duly accepted in accordance with the terms of the contract and be free of any faults unless notification to the contrary is served upon the contractor within two weeks of submission of the photographs.

### **III. Project-accompanying payment**

1. At the time of the order placement up to 50% of the order amount are to be paid as down payment. The remaining 50% are due at submission of the completed project. Upon handover of the final project the payment of the remaining amount (amount invoiced) is due by prepayment or carriage on delivery (plus postal charges and packaging).
2. Deviating payment agreements are possible.
3. Until full payment, the completed project will remain without permission for use (unreleased).

### **IV. Force majeure / adverse circumstances**

1. The contractor is not liable in the event of partial or full non-performance of the contractual content, caused by force majeure or other adverse circumstances.
2. The client is to arrange permission to film on site.
3. In case the camera crew is refused filming, the agreed upon price per taping day or the order price agreed upon contractually is to be paid by the client without deductions.

### **V. General limitation of liability**

1. Unless otherwise stipulated in these terms and conditions, the contractor is liable for damages due to violation of contractual or non-contractual obligations only in case of malice or gross negligence. The contractually agreed upon demand rate is to be paid by the contractor without deductions. In case of damage or entire loss, ML Videoservice does not accept any liability for the material conveyed by the client for editing (e.g.: data media, photos, videos etc.).
2. All conveyed material is to be returned upon completion of production. Burned DVDs (small series, burned DVD-R/ +R) may possibly not be compatible with each DVD-player on the market. This depends on technical factors and is no reason for a complaint. Pressed DVDs (big series starting at 500) are not affected by this possible constraint.
3. The contractor is not to be made liable for potential defects of rendered products or services by third parties (e.g.: technically defective replicated DVDs) due to which delays or financial damage are caused on behalf of the client.

### **VI. Withdrawal from the contract**

1. In case the client withdraws from the contract within a period of 14 days prior to the beginning of the project assignment, he/she commits himself/herself to pay compensatory damages (cancellation charge) of 30% of the basic demand rate. This will be offset against the submitted down payment.
2. In the event of delay of the fulfillment of the contract of both contractual parties, the submitted payment by the client will be offset against by the contractor within a time frame of three months, provided that a subsequent performance is compatible with the schedule.

## **VII. Duty of care**

1. The contractor commits himself to perform the tasks concerning the completion of the projects assigned to him on behalf of the alleged interest of the client with the given care.
2. Due to logistical reasons a precise determination of the completion of the requested product is not or only approximately possible.

## **VIII. Copyright, property right, claim of ownership**

1. The customer shall fundamentally only receive simple rights for one-time utilization. Subject to any other agreements, the right of publication on the Internet or inclusion in digital databases shall be limited to the duration of the publication period of the corresponding or a comparable printed item.
2. All rights regarding the produced video and foto material are with the copyright holder ML Videoservice and may only be purchased by the client through a respective contract on license to use (e.g.: Release for use on the web).
3. All data media needed for the production, will be archived by the contractor for a reasonable period of time (max. for six years). Furthermore, the contractor ML Videoservice (copyright holder) is to grant the license right concerning the film saved on the data medium exclusively for the client's use.
4. Usage rights of third parties remain reserved. Any unauthorized reproduction, modification or distortion, conglomeration with other films, as well as the implementation in multimedia works of the film concerned or of its parts is strictly prohibited. Any modifications to the photographic material using photo composing, mounting or electronic means to produce a new copyright work shall require the contractor's prior written approval and shall be designated as such by [M].
5. In addition, the photographic material may not be copied in drawing form, recreated photographically or used in any other manner as a motive.
6. The customer may not transfer the rights of utilization or any part thereof granted to it to any third parties unless these are members of its group or subsidiaries. All use, reproduction and transfer of the photographic material shall be subject to the condition that the copyright information stipulated by the contractor be included in such a way that it can be clearly allocated to the picture in question.
7. The grant of the rights of utilization shall be subject to the condition precedent of full settlement of all of the contractor's claims for payment under the applicable contractual relationship.
8. The protection of the recordings arises from § 2 subparagraph 1 Nr. 5 Copyright Law [UrhG] or from § 72 UrhG. In both cases the originator (ML Videoservice, Manuel Lieske) has the exclusive right to decide who may utilize his film and photo recordings and in which way. Any infringement will be avenged in regard to liability according to civil and criminal law.

## **IX. Warranty when selling goods / used goods**

If the item is defective, you have the following rights:

1. If you are a consumer: For newly manufactured stuff 24 months; for used stuff 12 months. If you are a business person: For newly manufactured stuff 12 months, for used goods, the warranty is excluded.
2. Second you have in the case of defectiveness first have the right to ask us a replacement. Fulfillment is performed at our discretion by correcting the error or replacement. Are you a consumer, you have that right to vote, unless the currently selected type of remedy is not reasonable.

**X. Closing provisions**

1. Alterations and supplements of the achieved contract have by all means to be made out in writing to become effective.
2. If a provision of this contract is void or becomes void or the contract has a loophole, the validity of the contract is not affected by that. The contractual parties are to replace the void provision by an economically equal and effective one or to fill the loophole as if the parties involved would have considered it.

**XI. Place of jurisdiction and applicable law**

1. The place of jurisdiction for both parties concerning all disputes arising from business with the contractor is Langenfeld.
2. The governing law in the Federal Republic of Germany is stipulated.
3. The jurisdiction clause is applicable even if the client has no general place of jurisdiction in-country.

As of September 2014