

GENERAL TERMS AND CONDITIONS

(short "GTC")

of

FRAME FRESH Creative.Film.Agency GmbH
Schleifmühlgasse 2/11B, AT – 1040 Wien
(short „ Producer “ or „FRAME FRESH“)

Date: January, 22nd 2020

1. GENERAL

1.1 The general terms and conditions for orders and deliveries are intended for legal transactions between companies and are an essential component of every quote and every contract.

In the unusual event that legal transactions with consumers, within the meaning of the prevailing version of the Consumer Protection Act, Federal Law Gazette No. 140/1979, are also based on these terms and conditions, they shall only apply insofar as they do not contradict the provisions of the first main section of this Act.

The Producer shall only be legally bound by the company's confirmation and after any contract has been signed.

1.2 The concepts, scripts, drawings, plans and similar documents elaborated by the Producer or on his/her behalf remain his/her intellectual property if they are not used in the film or if no fee has been agreed for them. Any use, in particular passing on, copying and publication requires the express consent of the Producer. Documents supplied by the Client will be returned upon request.

1.3 The distribution areas, media and time periods for which the cinematographic work is to be produced must already be included in the production contract or in the accepted quote.

2. COSTS

2.1 The price agreed to in the contract includes all production costs and also includes a demonstrable first copy as well as the granting of rights to the cinematographic work to the extent provided pursuant to Section 7.2.

2.2 The calculated production costs do not include shifts in shooting due to the weather (weather risk). Additional costs arising under this legal title will be invoiced according to documented expenditures.

2.3 A separate contract can be concluded for the production of a concept or script. The price agreed in this contract is to be paid by the Client even if he/she does not have the concept or script filmed or withdraws the order.

If a screenplay or a pre-existing work is made available by the Client or his/her authorised representative, the full rights are to be transferred in advance from the Client to the Producer.

2.4 If the Client demands the conclusion of a specific insurance contract, he/she must inform the Producer of this when the present contract is concluded at the latest and reimburse the costs for it.

2.5 In case of doubt, the Client shall bear the costs for any professional advice he/she may have requested and received from the Producer.

3. PRODUCTION, CHANGE, ACCEPTANCE, FOREIGN LANGUAGE VERSIONS, DELIVERY TIME

3.1 Preparatory or shooting work and comparable work (see item 6.2) will begin after signing the order confirmation at the earliest.

3.2 The artistic and technical design of the work is the responsibility of the Producer. The Producer has to inform the Client about the location and the planned course of the filming.

3.3 During the concept phase or the production of the script, the Producer grants the Client the possibility of one correction loop. The Client can express change requests, which the Producer must carry out. Any further modification concerning the concept or script will be charged to the Client.

If the Client demands changes to the timing arrangements, the screenplay or the already produced film parts before the acceptance of the production (or respectively film), the costs of these shall be borne by the Client to the extent that they do not involve the assertion of justified notice of defects. The Producer must inform the Client immediately about the expected costs of these changes.

During post-production, before the final film, (final production), has been accepted, the Client shall be granted a correction loop by the Producer at every stage of post-production (rough cut, visual effects, sound) in which requests for changes can be expressed by the Client and which shall be made by the Producer. Change requests must be communicated to the Producer in writing. Should the change requests deviate from the original concept or script and new costs or delays arise as a result, these are to be remunerated separately, in proportion to the agreed total costs.

3.4 If the Client requests changes after the acceptance of the film, he/she must inform the Producer in writing of the requested changes. The Producer can make these changes, if the requested changes are to be made within a feasible time frame for the Producer. The expenses for the changes shall be borne by the Client and require a new assignment.

3.5 Any changes to the already approved script proposed by the Producer that will lead to additional costs compared to the agreed production price, whether they be for artistic or technical reasons, require the prior written consent of the Client. The Producer cannot claim additional costs that were not approved by the Client.

3.6 Overtime during filming, which results partly or entirely from circumstances within the sphere of the Client is charged according to the collective agreement for film professions. Overtime is to be charged as soon as the daily normal working time is exceeded and shall be compensated if the Client has been informed and has ordered or approved such overtime. The normal daily working hours are agreed in the order confirmation (regularly 10 hours for advertising shooting and 8 hours for shooting others projects). According to the collective agreement for film professions, overtime is compensated as follows:

- First and second overtime hour: 150% of the hourly fee (aliquot CA- daily fee).
- from the third hour overtime: 200% of the hourly fee (aliquot CA- daily fee).
- for night work (22:00 - 06:00) from the first hour: 200% of the hourly fee (aliquot CA- daily fee).

4. WARRANTY and LIABILITY

4.1 The Producer undertakes to produce a technically flawless product. He/she exclusively ensures that the production will be of impeccable sound and image quality that will also correlate with the concept and (if commissioned) the script.

4.2 If any circumstance occurs, which makes the contractual production impossible, or significantly hinders the timely completion, during the production of a project, the Producer is only responsible for intent and gross negligence. If neither the Producer nor the Client is responsible for these circumstances, the Client can withdraw from the contract. However, the services rendered so far, will be charged.

4.3 Defects in connection with quality, which are acknowledged by the Producer, shall be remedied by the Producer. If these corrections cannot be carried out without the cooperation of the Client or his/her specialist adviser, the Producer may consider the contract fulfilled after the ineffectual expiry of a statutory period of at least two weeks for carrying out the relevant actions. The Producer is entitled to refuse to remedy the defects until the payments due at the time of the correction have been made.

4.4 The Client bears the risk of the props provided by him/her. Deviating from point 4.5, the producer is only liable for intentionally caused direct damage.

4.5 The Producer is only liable for grossly negligent or intentionally caused, direct damages of the Client. Liability for slight negligence is excluded. The liability is limited in amount with a maximum of 30% of the remuneration stated in the order confirmation. Liability for pure financial loss, loss of profit and/ or other consequential damage is excluded.

5. Cooperation and supply obligations of the Client

5.1 The Client undertakes to support all measures necessary for the provision of services by FRAME FRESH. The Client further undertakes to take all measures necessary to fulfill the contract and which are not included in the scope of services provided by FRAME FRESH.

5.2 The Client is not entitled to issue instructions of any kind whatsoever to the employees of FRAME FRESH and shall forward all requests regarding the provision of services exclusively to the contact person designated by FRAME FRESH.

5.3 The Client shall provide all information, data and documents required by FRAME FRESH for the performance of the order in the form required by FRAME FRESH and, if necessary, support FRAME FRESH in the analysis of problems, optimisation of work processes and coordination of services, at the agreed dates and at its own expense. Any changes in the work processes at the Client's premises that may cause changes in the services to be provided by FRAME FRESH for the Client require prior consultation with FRAME FRESH regarding their technical and commercial implications.

5.4 The Client shall additionally keep the data and information handed over to FRAME FRESH on his premises so that they can be reconstructed at any time in the event of loss or damage.

5.5 The Client shall perform all its obligations to cooperate in a timely manner so that FRAME FRESH is not hindered in the provision of services. The Client is responsible for ensuring that the employees of its affiliated companies involved in the performance of the contract or third parties commissioned by the Client participate accordingly in the performance of the contract.

5.6 If the Client does not fulfil its obligations to cooperate on the agreed dates or to the intended extent, the services provided by FRAME FRESH shall nevertheless be deemed to have been provided in conformity with the contract, despite possible restrictions. Timetables for the services to be provided by FRAME FRESH shall be postponed by a reasonable amount. The Client shall pay FRAME FRESH separately for the additional expenses and/or costs incurred by FRAME FRESH as a result thereof at the rates applicable at FRAME FRESH in each case.

5.7 Unless otherwise agreed, the provision of materials and cooperation by the client shall be free of charge.

6. WITHDRAWAL FROM THE CONTRACT BY THE CLIENT

6.1 If the production order has been placed and the Client withdraws from the order through no fault of the Producer, the Producer is entitled to charge the actual costs incurred as well as the financial losses of the Producer caused by the withdrawal.

6.2 If an order is cancelled, according to point 6.1, between 10 to 4 days before the start of shooting or before a comparable status is reached in the case of works that are to be

produced from already existing and / or computer-generated image material, the Producer is entitled to charge 2/3 of the calculated reimbursement accepted by the Client plus any losses.

6.3 If the Client withdraws between the 3rd and the 1st day before the scheduled start of shooting or comparable activities (see 5.2), the calculated and commissioned total sum will be invoiced in full.

7. COPYRIGHTS, EXPLOITATION RIGHTS

7.1 The Producer has all necessary copyright exploitation rights (except, if they are held by a collecting society), in particular the reproduction, distribution, broadcasting, performance and ancillary copyrights necessary for the performance of the contract, which are also administered by the Producer after completion of the work.

7.2 In the order confirmation, the parties agree which rights of use in the work are granted to the Client after full payment and to what extent (spatially, temporally, etc.).

7.3 Excluded from the granting of rights are in all cases the rights to reproduction, editing, modification, supplementation, foreign-language dubbing and the use of extracts in image and/or sound, unless they are expressly contractually agreed upon and compensated separately. At least the lost production profit is to be used as the basis for the compensation of these assigned rights of use, if granted in individual cases.

7.4 The Client agrees that the legally required notifications to the respective collecting societies are made by the Producer.

7.5 In order to secure the copyright exploitation rights, the source material (image and sound), and also the remaining material remain in the possession of the Producer.

7.6 If agreed upon in the order confirmation the Producer undertakes to store the original, picture and sound material of the delivered work professionally for a retention period of 12 months. Before expiry of the respective period, the client must order an additional storage period in writing. With regard to the reimbursement of costs for this additional storage, the guidelines of the Austrian Film and Music Industry Association shall apply.

7.7 Insofar as the rights excluded from the granting of rights pursuant to point 7.3 have been settled and contractually transferred to the Client for exploitation, the obligation pursuant to Article 7.6 to store them shall rest with the Client.

7.8 Upon delivery of the work, the risk for the copy documents shall transfer to the Client, even if the work is stored at the Producer's premises or at a copy company commissioned by the Producer.

8. OTHER TERMS

8.1 The Producer has the right to show the work or have it shown at competitions and festivals as well as for self-promotion (sample reel).The use of excerpts or other image material on the webpage of the Producer is permitted for self-promotion purposes and shall be deemed equivalent to demonstration for self-promotion purposes.

8.2 If several Clients place the order for a work with the Producer, it must be recorded in writing which Client has to make declarations to the Producer in the sense of the preceding points on behalf of the other Clients before the start of shooting or before a comparable status for works that are to be produced from already existing and/or computer-generated pictorial material. This applies in particular to the naming of the person responsible for the acceptance of the work.

8.3 If several co-producers are contractual partners of the Client, the provisions of point 8.2 shall apply mutatis mutandis.

8.4 Changes to the order confirmation or/and these general conditions require written confirmation. Should any provision of the order confirmation or these terms and conditions become invalid, the validity of the remaining provisions shall not be affected. The ineffective provision shall be deemed to be replaced by an acceptable provision which comes as close as possible to the purpose of the original provision.

8.5 Place of performance is the office of the Producer in 1040 Vienna.

8.6 Austrian law applies exclusively, excluding its referral norms and the UN Sales Convention (CISG).