

General Terms and Conditions of Business for purchasing and ordering of goods and services

- 1 The Placing of Orders**
Orders shall only be binding if placed in writing.
- 2 Order Volume**
The quantity ordered in the order is binding. Excess quantities shall not be remunerated even if they are due to production reasons.
- 3 Delivery Time, Place of Performance, Storage**
 - 3.1** The set delivery dates and or delivery deadlines are binding (transactions for delivery by a fixed date ("*Fixgeschäft*") in accordance with Paragraph 323(2) no. 2 German Civil Code ("*BGB*"), Paragraph 376 German Commercial Code ("*HGB*").
 - 3.2** The Principal must be promptly notified of any exceeding of the delivery dates and delivery deadlines together with notification of the reasons and the probably duration. This duty shall apply even if the Supplier is not responsible for the reasons.
 - 3.3** The place of performance shall be the delivery address. The Supplier must make delivery at its cost and risk.
- 4 Acceptance of Performance, Defects**
 - 4.1** Taking delivery and payment do not constitute any acceptance of performance.
 - 4.2** If the Supplier has to produce a moveable goods the statutory provisions on acceptance of performance shall apply, and in particular but without limitation, the remuneration shall not be due until after performance has been accepted.
 - 4.3** The provisions of Paragraphs 377 nos. 1-3 German Commercial Code ("*HGB*") (duty to inspect goods delivered and to report any complaints) shall not apply unless there is an openly noticeable defect.
- 5 Defects in Quality ("*Sachmängel*"), Defects in Title ("*Rechtsmängel*")**
 - 5.1** The order can only be fulfilled by goods and services of the best quality. In particular goods and services rendered improperly or carelessly are defective as are such goods and services where the tasks set and/or the desired design has been disregarded and/or the instructions have been derogated from and/or which do not correspond to the latest state of the art and/or which derogate from the originals provided.
 - 5.2** The Supplier warrants that all goods and services are originals and are free from third-party rights. The Supplier warrants that its goods/services do not breach competition law and that they do not infringe any rights of third parties (trade mark rights, copyrights, rights of personality etc.) and/or other rights.
- 6. Prices, Invoicing, Payment**
 - 6.1** The agreed price is binding and includes all incidental costs (e.g. freight, packaging, postage, customs, taxes, duties, etc.). In the event of any requests for amendments or additions a special fee shall be payable for the Supplier's extra work or cost only if there is an express written agreement.
 - 6.2** Unless otherwise agreed, the time allowed for payment of all invoices to the Principal shall be 30 days. If payment is effected within 14 days following receipt of the invoice the Principal shall be entitled to deduct a 3% cash discount.
- 7 Rights of Use, Performers' Rights, Proprietary Rights**
 - 7.1** All of the Supplier's assignable rights in its contractual goods/services shall be deemed the Principal's absolutely, both legally and in terms of subject matter, as well as worldwide for exclusive application and use for all known types of use, particularly also for online use on the internet as from the time at which they are created. The Principal shall be entitled to edit, translate, synchronise the goods and services delivered, whether in whole or in part, and to use, publish, reproduce, distribute and present them, whether altered or unaltered, as well as to assign his rights to third parties whether in whole or in part.
 - 7.2** If, in executing the order, the Supplier uses employees and/or sub-suppliers, the Supplier shall be obliged to acquire all of their assignable rights and all of their rights in the performance by the time said performance is transferred and to assign said rights to the Principal.
 - 7.3** The Supplier warrants that the contractual performance is free from any third-party rights which could impair the transfer of title and/or the exploitation of the performance. The Supplier shall indemnify and hold the Principal harmless from and against all claims asserted by third parties because of the infringement of any copyrights, copyright-related rights of use, performers' rights or other rights. The Supplier shall use its best efforts to support the Principal in asserting or defending the acquired rights whether in or out of court, in particular it shall furnish information and provide the necessary documents and arrange anything else that is necessary for the Principal to obtain the rights specified in this Clause.
 - 7.4** The agreed price includes the remuneration for the assignment of all rights in the contractual performance.
- 8 The Principal's Documents**
 - 8.1** All of the working papers provided such as final artwork, reproductions, pressroom work, clip art, drafts, samples or other documents shall remain the Principal's property. The working papers provided must be treated with care and must be returned without undue delay following completion of the order as well as upon first demand. Upon request by the Principal the Supplier must archive the working papers for a period of two years. The Supplier shall have no right of retention in the working papers.
 - 8.2** All working papers and work results may only be used for handling the order placed.
- 9 Maintaining Secrecy**

- 9.1 The Supplier must treat all working papers and work results as well as all information that becomes accessible in connection with the order strictly confidential, even after the order has been completed. It shall pass on said obligation of confidentiality to its employees and staff as well as to other third parties it uses to carry out the order. In the event of any breach of the obligation to maintain secrecy the Supplier shall pay the Principal a contract penalty in the amount of 25% of the fees paid to date, but at least € 25,000, for every case of breach. This shall be without prejudice to any claims for damages.
- 9.2 Imprimaturs and samples are prohibited. The Supplier may use copies of the contractual goods/services for advertising purposes or may refer to the existing business relationship only with the Principal's consent.
- 10 Insolvency of the Supplier**
Insofar as the Supplier becomes insolvent, or an application is filed for the institution of insolvency proceedings regarding its assets, the Principal shall be entitled to terminate this contract for good cause with immediate effect. The same applies in the event that the Supplier's claim against the Principal for payment of the production price is seized, and the Supplier does not bring about the rescission of the enforcement proceedings within a statutory period specified by the Principal.
- 11 Limitation Period, Set-Off, Assignment, Right of Retention**
- 11.1 Claims by the Supplier against the Principal shall be subject to a limitation period of 12 months.
- 11.2 Claims may be offset against claims of the Principal only if the Supplier's claims are uncontested or have become res judicata.
- 11.3 The Supplier's rights arising out of the order, particularly claims to remuneration, may not be assigned.
- 11.4 The Supplier can only assert for his right of retention, particularly in regard of the Principals claim for restitution, if his claim has become res judicata. In the case of a dispute of the Parties concerning the interpretation and carrying out of the contract as well as the application of the music by the Principal, the Supplier waives measures of preliminary injunction.
- 12 Subcontracts**
- 12.1 If the Principal places the order in a third party's name and for a third party's account, the Principal shall not be liable for performance of the the third party's contractual obligation, nor shall it be liable for said third party's credit worthiness, which it has not checked.
- 12.2 If the Principal places the order in its own name and in its own name but on behalf of a third party, the remuneration shall not be due and payable by the Principal until the Principal has in turn been provided with appropriate funds by the third party for the purposes of satisfying the claims. The Principal shall not be obliged to in turn pay amounts owed if and so long as the third party has not paid said amounts to the Principal. This shall apply irrespective of the reason why payment has not been made to the Principal (including the third party's insolvency). Any contrary provisions of the Supplier in invoices, business papers or price lists as well as all changes, which the Supplier makes to this form, are void.
- 13 Miscellaneous**
- 13.1 Any derogating or supplementary provisions in individual contracts and regarding these General Terms and Conditions of Business or the order placed shall require written form in order to be valid and shall only apply to the respective order. This also applies to any agreement to derogate from the clause requiring writing. There are no verbal side agreements. In the event that one of the provisions of these General Terms and Conditions of Business or of the order is or becomes void, this shall not affect the validity of the remainder of the General Terms and Conditions of Business or of the order. The ineffective or impracticable provision shall be replaced by such valid and practicable provision, the effects of which come closest to the economic objective which the contract parties intended by the ineffective or impracticable provision. The same shall apply in the event of a lacuna in the provisions.
- 13.2 The place of jurisdiction and place of performance shall be the Principal's registered office (seat) unless some other place has been mandatorily prescribed by statute. German law shall apply.
- 13.3 Insofar as there is a requirement of written form under these General Terms and Conditions, said form shall also be fulfilled by facsimile.

Issued: July 2010