

1. Area of validity

The services of Cinram GmbH (replication of image, sound and data media and printing of any associated components) as well as supplying services and offers to the customer will be carried out in accordance with these general business terms and within the framework of any future business relations. Any deviations from these terms and conflicting conditions imposed by the customer are only valid if confirmed in writing by Cinram GmbH.

2. Conclusion of contract

The contract with the customer is only valid following written confirmation of the order by Cinram GmbH unless the order already adheres to a valid basic agreement.

3. Carrying out an order, assets

- 3.1 The customer will make all assets required for the manufacturing process available to Cinram GmbH free of charge and only as duplicates in accordance with the specifications of Cinram GmbH, e.g. graphics data, label films, master tapes or DLTs, etc. Should the customer supply assets which do not meet with the valid specifications of Cinram GmbH, Cinram GmbH can complete, improve or send back this production material at the expense of the client.
- 3.2 Cinram GmbH is obliged to meet the agreed delivery deadlines so long as the client has supplied the assets by the agreed deadline.
- 3.3 Cinram GmbH is not obliged to check the assets in any way. Should any objections arise from Cinram GmbH in relation to the usability of the assets cited under 3.1, the client is required to provide a new copy without delay after receiving the information from Cinram GmbH and to supply a new copy, free of charge, to Cinram GmbH as quickly as possible.
- 3.4 Cinram GmbH is not obliged to keep assets, glass masters and stamper for any possible future orders for longer than 12 months after the end of the contract. After this time, any assets stored by Cinram GmbH will be destroyed in accordance with regulations. The client may, however, request that the assets be returned before the end of this period, at his own expense.
- 3.5 Where the client does not make any binding colour proofs available before the production of an order, the internal colour values of Cinram GmbH are considered valid.
- 3.6 Cinram GmbH is entitled to assign orders to partner companies certified by Cinram GmbH at any point and without consulting the client, in order to ensure that a deadline is met. Cinram GmbH will ensure that any conditions agreed with the client are adhered to.

- 3.7 Cinram GmbH is entitled not to produce or deliver a contract already accepted, should the client fall behind with the payment of an outstanding invoice by more than 14 calendar days and until the payment is received in full.

4. Scope of delivery

Cinram GmbH is entitled to supply partial deliveries and to over or under supply (+/- 5 % up to a maximum of 1,000 units) with the actual amount supplied being invoiced to the client.

5. Prices

- 5.1 Whenever Cinram GmbH makes a legally binding offer, Cinram GmbH will keep to the prices cited for 30 days from the offer date. Furthermore, the prices cited by Cinram GmbH in the order confirmation do not include the additional legal VAT charges. Additional deliveries and services will be calculated separately, in particular any additional costs resulting from the specifications of the assets not being adhered to.
- 5.2 In the case of deliveries made within the framework of basic agreements and for repeat orders, Cinram GmbH is entitled to increase prices to an extent if this is justified by the market circumstances and costs. Prices are exclusive of delivery, unless agreed otherwise in writing, from the Alsdorf plant.

6. Transfer of risk, forces majeure and delivery

- 6.1 The risk is transferred to the client as soon as the consignment is transferred to the transportation firm or the consignment leaves the Cinram GmbH warehouse/plant. If the consignment is delayed and it is not the fault of Cinram GmbH, the risk is transferred to the client with the confirmation that the goods are ready for shipping.
- 6.2 Unless otherwise agreed, the choice of a shipping route and means is left to Cinram GmbH to decide.
- 6.3 Postage and packaging costs as well as customs fees are transferred to the client in a separate invoice.
- 6.4 In the event of a force majeure which prevents the contract partners from meeting their contractual obligations, either in full or in part, both contract partners are absolved from the obligations of this contract until this force majeure has passed. The contract partner affected by the force majeure must inform the other partners of this without delay. The impossibility of obtaining sufficient raw materials and substances, failure of preliminary suppliers to deliver or to deliver on time, the break down of production machinery through no fault of the contract partner, the inability to acquire transport and official action such as strikes and lock-outs, will all be put down to a force majeure.

7. Payment conditions

- 7.1 Cinram GmbH invoices, including invoices for partial supply, must be paid net by 14 days after the invoice date at the latest. If delivery upon request has been contractually agreed, the due date also occurs even if the request has not been made on time. Invoices are also due if the client or his representative is delayed in accepting the goods or if the delivery cannot take place due to a lack of GEMA clearance or any other such comparable copyright organisation.
- 7.2 In the case of 7.1 par. 3, Cinram GmbH is entitled to reuse the goods after a given period of time imposed upon the client and following a written warning.
- 7.3 Payments are to be made in Euros.
- 7.4 A payment is only taken to be complete when Cinram GmbH has access to the funds. With cheque payments, this is only the case when the cheque has been officially cashed.

8. Delays

- 8.1 Should the client fall behind with payments, Cinram GmbH will add interest in arrears to the sum of 8% above the valid base rate set by the European Central Bank. Cinram GmbH reserves the right to impose additional deferment charges.
- 8.2 Should the client fall behind with payments or should Cinram GmbH be informed of circumstances after signature of the contract which endanger the entitlement of Cinram GmbH to services in return due to a lack of productivity on the part of the other party, Cinram GmbH is entitled to request the immediate payment of the remaining balance (even if Cinram GmbH has accepted cheques or a bill of exchange) and/or to discontinue any services required of Cinram GmbH until the client has performed services in return or paid a security bond. Cinram GmbH may also withdraw from the contract after the successful meeting of a deadline imposed upon the client to gradually offset charges with services in return or a security bond against the services provided by Cinram GmbH.

9. Offsetting and retention entitlements

The client is entitled to offset or retain only if the counterclaims can be legally established and are undisputed or ready for decisions to be made.

10. Retention of proprietary rights securities

Until all demands upon the client have been met to which Cinram GmbH is legally entitled (including all balance claims on current accounts) either now or in the future, Cinram GmbH is granted securities which will be issued to Cinram GmbH upon request by Cinram GmbH so long as their value exceeds the sum outstanding by more than 20% in the long term.

10.1 The goods as well as their by-products remain the property of Cinram GmbH until full payment has been received. The client is entitled to sell the reserved goods through legal business dealings so long as he is not behind with payments. Claims arising from the selling on of reserved goods (including all balance claims on current accounts) as well as claims as a replacement for the collapse, destruction or damaging of reserved goods (insurance claims, claims relating to unauthorised activity) are assigned in full to Cinram GmbH. Cinram GmbH irrevocably authorises the client to assign any receivables for Cinram GmbH in its own name. In the event of a delay in payment, the client is obliged to announce the assignment of a claim due for payment to Cinram GmbH and disclose any information and documents required upon request.

10.2 The client grants Cinram GmbH a lien on the assets held in the possession of Cinram GmbH due to the terms of this contact and the moulds produced for the client. This lien guarantees claims arising from the relevant order as well as earlier orders associated with the objects described as well as other claims arising from the business relationship, so long as these are undisputed and legally valid.

11. Guarantee and liability

11.1 In the case of guarantees, Cinram GmbH will, at its own choosing, either deliver within a deadline set by the client in writing or correct any faults (subsequent supply). Should the subsequent supply not occur within a deadline set by the client or fail to rectify the problem, the client is entitled to reduce the cost paid or withdraw from the contract. The right of withdrawal is excluded in the event of negligible faults. The guarantee period covers 12 months and begins with the receipt and acceptance of the goods by the consignee.

11.2 Guarantee claims made against Cinram GmbH apply to the client only and cannot be transferred. The validity of claims for money from both sides of the commercial transaction and in the remaining cases of § 354 a of the German commercial code (HGB) remain unaffected.

11.3 Claims for compensation brought by the client against Cinram GmbH or against its service and delivery subsidiaries are excluded so long as there was no deliberate or negligent damage caused to life, body or health by Cinram GmbH or its service subsidiaries or any deliberate or grossly negligent behaviour or dismissal of primary contractual obligations or cardinal obligations, regardless of whether claims are based on an inability to perform, errors upon completion of the contract, guarantee or non-completion. This limitation of liabilities also applies to claims for compensation relating to delays, the replacement of unsuccessful expenditure and in general all verifiable expenditure.

11.4 The liability of Cinram GmbH in the event of gross negligence by simple service subsidiaries and slight negligence of significant contractual obligations or cardinal obligations is limited to the typical predictable damages.

11.5 Liability for consequential harm caused by a defect or indirect damage as a result of faulty products delivered by Cinram GmbH is excluded, unless damage to the body, health or life is the object of the claim.

11.6 The provisions of the product liability rule remain unaffected.

12. Third party rights

As regards the assets to be supplied by the client and their content, the client is responsible for ensuring that they meet all copyright requirements relating to their reproduction and distribution in full and that this has been demonstrated to Cinram GmbH, e.g. the rights as perceived by GEMA, artists, music producers, software developers and other parties with entitlements. For the GEMA report, the client will provide Cinram GmbH with the data required and share the use of published and unpublished copyrights and copyright registrations relating to the assets supplied - both its own and licensed - and their contents with Cinram GmbH. In the event that claims are made against Cinram GmbH by third parties (inc. GEMA) due to an alleged infringement of third party rights (in particular reproduction and distribution copyrights), the client will make Cinram GmbH exempt from these claims in full, including the reimbursement of any necessary legal defence costs in full.

13. Manufacturing licences for optical storage media

Cinram GmbH expressly explains that the manufacturing licences required for Cinram GmbH to manufacture optical storage media (Blu-Ray, DVD and CD) will be officially paid and Cinram GmbH will release the client in full from any third party licence claims.

14. Additional conditions

14.1 The client states that the object of the contract, including all additional services, does not contain any racist, violent, pornographic or otherwise illegal content. Cinram GmbH has the exclusive powers of deciding whether the object of the contract has been breached and can withdraw from the whole contract at any time in the case of such a breach in which case the client has to reimburse any associated costs.

14.2 The laws of the Federal Republic of Germany are binding. Application of the United Nations agreement on contracts and the international sale of goods as well as the regulations of the German international private law is excluded.

14.3 The place of fulfilment for all obligations relating to this contract (delivery and payment) is D-52477 Alsdorf.

14.4 So long as there are no opposing compulsory legal regulations, the competent court is Aachen provided that Cinram GmbH can also raise complaints at the client's competent court or at the place of fulfilment; this also applies to action on bills and cheques.

14.5 Cinram GmbH indicates in relation to § 33 of the German Data Protection Act (BDSG) that the client's data will only be saved for internal use.

14.6 Should a condition of these general terms of business or any other contractual agreement prove invalid or become invalid, this does not affect the validity of the remainder of the general terms of business or other agreements. The contractual partners agree to replace the invalid condition with one which is close to the intended financial and legal meaning of the original. The same applies should a loophole be found in the contract.