

General Terms and Conditions of the Austrian Association of the Film and Music Industry for Recording Studios of January 1st 1998

1 GENERAL

1.1 The General Terms and Conditions of the Austrian Association of the Film and Music Industry are valid for all service productions. They are principally applicable to legal transactions between companies and form an integral part of any offer and contract.

1.2 They are valid for legal transactions with consumers within the meaning of section 1 para. 17 2 of the Consumer Protection Act, Federal Law Gazette no. 140/1979 in its current version, insofar as they do not contradict the first main part of this law.

1.3 The legal binding of the recording studio shall require a prior official order confirmation or the signature of the contract.

2 COSTS

2.1 The contractually agreed price includes all production costs and/or services are billed according to our respective valid price list available for inspection at our offices, plus VAT (currently 20%). The net price is exclusive of any packaging, freights, customs duties and possible insurances. If prices are billed per hour, the time measured by the recording studio shall be binding and each hour commenced shall be charged as a full hour.

2.2 A separate contract can be concluded for special services performed at the client's request (organization, selection of speaker, etc.). The price agreed in this contract shall be payable by the client even if the production of the recording is not executed for whatever reason.

2.3 The cost of any potential expert advice provided at the request of the client shall borne by the client.

3 PRODUCTION, MODIFICATION, ACCEPTANCE, DELIVERY PERIOD

3.1 The production will commence no earlier than upon signature of the production contract.

3.2 Booked sessions which are not cancelled at least 24 hours prior to the beginning of the session, will be billed.

3.3 The recording studio shall be responsible for the technical design of the recording medium. The client is entitled to be present during the production. The recording studio shall inform the client on the completion of the production and schedule an acceptance demonstration, as required.

3.4 Acceptance means the approval of the technical quality. The client or his authorized representative shall confirm in writing, and immediately after the demonstration, the acceptance of the recording to the recording studio. Any complaints for defects must be reported to the recording studio within 3 working days after the delivery or performance by

stating the reasons of the defect. Subsequent complaints shall be excluded.

3.5 The rejected recordings must be presented to the recording studio together with the complaint.

Should the client, after acceptance of the recording medium, have further requirements for change, he shall inform the recording studio in writing of his request and the recording studio shall be solely obligated and entitled to implement the changes. Such change requests shall be at the client's expense. The same shall apply if change requests by the client result in a different calculation than the calculation approved prior to the beginning of the production.

3.6 Delivery periods or dates shall be non-binding. The non-compliance with delivery periods or dates shall not release the client from his acceptance obligation.

The client shall bear the costs and risks of the delivery. The recording studio shall not be obligated to retain the original sound recording.

4 LIABILITY

4.1 The recording studio undertakes to produce a technically impeccable product.

4.2 If circumstances occur in the production of the recording which render the contractual production impossible, the recording studio shall be liable for intent and gross negligence only. The same applies if the recording is not completed in the agreed time. The inability to produce or the untimely completion of the recording medium for which neither the client nor the recording studio are responsible, shall entitle the client to withdraw from the contract only. However, the services rendered by the recording studio until that time shall be payable. Quality defects recognized by the recording studio must be remedied by it.

4.3 If such correction cannot be performed without the cooperation of the client, the recording studio shall be entitled, after the unsuccessful completion of a respite period for performing the respective actions of no less than two weeks, to consider the contract as fulfilled. The recording studio shall be entitled to refuse the correction of defects until the amounts due for payment by the client until the time of the defect have been paid.

4.4 In the event of a loss and/or negligent damage of the materials made available to the recording studio by the client, the recording studio's liability shall be restricted to the replacement of the sound and/image medium in the same number or length as the lost or damaged parts. No replacement is provided for damages to computer data media. The recording studio shall be under no obligation to cover insurance.

5 PAYMENT TERMS

5.1 The following payment terms shall apply unless otherwise agreed upon:

1/2 upon placement of the order
1/2 upon delivery of the recording medium

6 COPYRIGHTS, RIGHTS OF USE

6.1 The client shall be liable for ensuring that all rights in connection with the orders given by him, with regard to the production, processing, reproduction of sound recordings for whatever purposes, in particular for commercial purposes, are in his possession. The client furthermore declares to have the right of disposal and/or as a licensee with regard to the required copyrights and/or exploitation rights and/or to be in possession of proper rights by the copyright owner or holder of the rights.

6.2 The client shall be liable for all third party claims which might arise in connection with the completion of the order and undertakes to indemnify and hold harmless the recording studio against any such claims.

6.3 The client expressly consents that the recording studio provides the statutory reports to the respective exploitation companies.

7 OTHER PROVISIONS

7.1 If a joint order for a piece of work is given to the recording studio by several clients, it must be specified in writing and prior to the beginning of the work, which client shall be authorized to make representations to the recording studio concerning the above items on behalf of the other clients. This shall apply, in particular, for the nomination of the person authorized to accept the work.

7.2 Modifications of the production contract and/or of these production conditions must be confirmed in writing to be valid. The invalidity of a provision of the production contract or of these terms and conditions shall not affect the validity of the remaining provisions.

7.3 The delivered and/or processed sound recordings shall remain the property of the recording studio until full payment of any amounts due by the client in connection with the business relationship, including interest and incidental costs. Any resale or other disposition by the client during the reservation of title period shall require the written consent by the recording studio to be permitted and valid. The recording studio shall have the right of retention for objects put at its disposal or stored by the client at the recording studio or which were produced for the client, until all receivables from the business relationship with the client have been paid. The recording studio does not assume any liability for objects left by the client which are stored at the recording studio at the client's expense and risk. The recording studio shall also be entitled to store such objects with third parties and at the client's expense following written information of the client.

7.4 The place of fulfilment shall be the main place of business of the recording studio.

7.5 The place of jurisdiction in the event of disputes shall be the competent courts for the main place of business of the recording studio whereby Austrian law has to be applied by this court of law.