

General Terms and Conditions of Business of explain it GmbH

hereinafter referred to as explain it

Section 1 Scope of application

- (1) The version of the General Terms and Conditions of Business in force at the time of placement of an order shall apply to all film and image productions (hereinafter referred to collectively as Production).
- (2) explain it does not recognise deviating terms and conditions on the part of the client, unless explain it has expressly agreed to their validity in writing.
- (3) These General Terms and Conditions of Business shall also apply to future business relationships, even if they have not been expressly agreed again. Subsidiary verbal agreements must be documented by means of a durable data medium, e.g. by email.

Section 2 Quotation and conclusion of contract

- (1) Quotations from explain it are subject to change and non-binding unless expressly referred to as binding.
- (2) All contracts are only effective subject to these General Terms and Conditions of Business and if they have been concluded in writing.

Section 3 Film-making, rights of participation of the client

- (1) explain it makes promotional films, explanatory videos, corporate videos etc. and/or other productions in accordance with the instructions of the client and on the basis of the joint discussions in the briefing.
- (2) The client shall supply the items to be featured in the Production for the purpose and duration of the film-making.

Section 4 Guarantee and liability

- (1) explain it will have unlimited liability for damages caused intentionally or as a result of gross negligence, for fraudulent concealment of defects, in the event of the assumption of a quality warranty, for claims under the German Product Liability Act and for bodily harm.
- (2) explain it will only be liable for other damages insofar as it breaches an obligation the observation of which is of essential importance to the purpose of the contract (cardinal obligation), and if the damages are typical and foreseeable on the basis of the contractually agreed use of the Production under the contract.
- (3) explain it guarantees that the quality of the artistic and technical design will reflect the state of the art.

Section 5 Acceptance

The Production must be expressly accepted (in writing) by the client. Acceptance shall take the form of a declaration of release by the client vis-à-vis explain it. The declaration of release must be issued within five working days of the delivery of the Production. In the absence of any declaration of the client, the Production shall be deemed to have been accepted.

Section 6 Remuneration, due date and amendments

- (1) The price is binding and covers the payment for film-making, including any ancillary costs (fees for the involved parties, costs of filming permits and essential technical equipment, travel and accommodation expenses etc.), the costumes to be procured by explain it, props and other items of equipment and storage of the material arising from the Production for 12 months from the date of acceptance.
- (2) The film-making price is to be paid as follows: 60% on placement of order, 40% on acceptance.
- (3) Amendments suggested by explain it and any additional costs incurred as a result will require the prior written consent of the client.

Section 7 Rights of use

- (1) The exclusive rights of use and related proprietary rights of the parties directly or indirectly involved in making the Production must be made available by explain it to the client in such a way that they transfer to the latter on acceptance, insofar as this is required in order to fulfil the purpose of the contract.
- (2) explain it is responsible for ensuring that the parties involved are not named.
- (3) At the request of the client, explain it will act as an intermediary to acquire consent from the aforementioned involved parties for the recordings and performances to be used outside the Production, whereby an agreement on the fee must be made between the client and the parties involved before they are used. No commission fees will arise.
- (4) explain it will assist the client and its legal successor to exercise the transferred rights in court or out of court and, in particular, will submit information, make available original documents and other documentation, and undertake or arrange the assignment of rights to the client and/or its legal successor as required for the fulfilment of the contract.

Section 8 Ownership and delivery

- (1) explain it and the client are in agreement that all sound and image recording media created when making the Production will remain the property of explain it at the time they are created, unless the parties agree otherwise.
- (2) The Production under the contract will be delivered to the client via FTP server in a format to be mutually decided.

Section 9 Copies of explain it

explain it may make, acquire, distribute or show copies for its own ends. There shall be no requirement to obtain prior written consent from the client for showings at competitions or similar events.

Section 10 Secrecy

explain it is obliged to maintain the strictest secrecy and must take all reasonable measures to ensure secrecy is also maintained by its vicarious agents (employees, film-makers, subcontractors).

Section 11 Final provisions

- (1) Amendments and additions to this film-making contract shall only be binding if they have been agreed in writing or confirmed in writing to the other party to the contract.
- (2) The place of performance and exclusive jurisdiction is Munich.
- (3) The law of the Federal Republic of Germany shall apply exclusively.

Last revised: 26.05.2014