

General Production and Delivery Terms of the Company of[date]

1. General

The General Production and Delivery Terms of the company ("the recording studio"), apply to all commissioned productions. They are the basis for legal transactions between businesses and are an essential part of every offer and every contract. In the event of legal transactions with consumers within the meaning of § 1 Par. 1 Z 2 of the Consumer Protection Act BGBI Nr 140/1979 in the current version, these are only valid insofar as they do not contradict the first main part of that law. A legal obligation of the recording studio shall come into existence only as the result of the official confirmation of the offer or contract signed by both parties and - if applicable - payment of a deposit.

2. Costs

The invoicing of the goods and services will be made per the offer based on units actually consumed at unit price or hourly rate, or flat-rate. Additional goods and services shall be invoiced according to the valid price list available at the individual recording studio plus VAT (currently 20%). Packaging, freight, tariffs and any insurance are not included in the net price. If prices are calculated per hourly rate, the time as measured by the recording studio shall be determinative, whereby every newly commenced half-hour shall be charged in full.

The goods and services and prices offered are only valid for the recordings made at the company during business hours. For recordings made outside business hours (especially exceeding the statutory normal working hours regulated by the collective bargaining agreement of the Trade Association for the Film- and Music Industry), the recording studio can charge overtime rates amounting to markups of 50% (Mon-Fri from 6 p.m. to 8 p.m.) or 100% (Mon-Fri from 8 p.m. to 9 a.m., and Sat and Sun 0 a.m. to midnight). Unless otherwise agreed, third-party costs are borne in full by the client.

Speaker fees are only offered according to the valid speaker fee price list (VOICE). Unless otherwise agreed, speakers always bill the client directly. Therefore, the recording studio assumes no responsibility for speakers who - for whatever reason - charge fees outside of the fees list. The client is free to have the speaker confirm the proposed fees directly, or the recording studio can do so upon request in the client's name.

3. Production, Modification, Approval, Delivery Date

The production shall commence at the agreed point in time, after the signing of the production agreement and the payment of a deposit. The recording studio assumes no responsibility for defective data, audio files or recordings delivered by clients.

Booking of speakers and musicians that the recording studio carries out in the name of the client can be conducted without prior written correspondence. Recording dates resulting from these bookings are binding for the client. The recording studio assumes no

responsibility for cancelled or postponed dates not caused by the recording studio. In such cases, the non-performance fee shall be borne in full by the client. Recording sessions that are not cancelled latest 24 hours prior to the beginning of the appointment shall be invoiced in full.

The technical design of the recording shall be up to the recording studio. The approval by the contracting entity follows the demonstration, handover of the reference recording media or digital availability of reference files (WAV, MP3,...). Completed recordings - especially commercials - must be approved by the client and cleared for distribution.

The approval means the acceptance of the technical quality. Any objections (or notice of defects) shall be made known to the recording studio with indication of the grounds for refusal latest within 3 working days after delivery or service. Later notice of defects shall be precluded. The disputed recording media shall be made available to the recording studio at the same time as the notice of defects.

Should the client request modifications after receipt and approval of the recording media, these requests shall be made in writing. The recording studio shall be obligated and solely entitled to make the changes. Such modifications shall be at the expense of the client. The same shall be valid for modification suggestions made by the client which result in a different price calculation than approved before the start of the production.

Delivery deadlines or dates are not binding. Non-compliance with deadlines or dates shall not release the client from the obligation to approve. Delivery costs and risks shall be borne by the client. The recording studio is not obligated to store the original sound material.

4. Liability

The recording studio commits itself to produce a technically perfect product. Upon handover of the master for the duplication of recording media, the recording studio only assumes responsibility for the technical suitability of masters for duplication designated as Master CDs (PMCD), DDP Master or Masterfiles. The duplication of 'listening copies', reference CDs or other files and media, that are not explicitly designated as masters, occurs at the client's own risk. The contracting entity is responsible for the content and shall receive a sample for review.

Should circumstances occur during the production of the recording media which make the contractually agreed production impossible, the recording studio shall only be liable for malice and gross negligence. The same applies to delayed completion. The impossibility of the production or the delayed completion of the recording media, for which neither the client nor the recording studio are at fault, shall permit the client to withdraw from the contract, however all services performed by the recording studio up to that point in time shall be remunerated.

Defects recognised by the recording studio shall be removed by the studio. If the corrections cannot be carried out without the participation of the client and the client fails

to respond to the call to participate within a time period set at minimum two weeks, the recording studio shall consider the contract as fulfilled. The recording studio shall be entitled to refuse the removal of the defects until any payments due up until the point in time of the corrections have been settled.

In case of loss and/or negligent damage of the material intended for adaptation that is provided by the client, the recording studio shall only be responsible for the replacement of the audio and/or video material in the amount and length of the lost or damaged parts, but not for their recordings or content. No substitution shall be provided for damaged computer data-storage-media. The recording studio is not obligated to take out insurance.

5. Payment Conditions

Unless otherwise agreed, the following payment conditions apply:

50% when the contract is awarded

50% when the recording or recording media is delivered

Unless agreed otherwise, the payment deadline is 10 days net without deductions. In the event of a delay in payment, the recording studio is entitled to charge 9% interest per annum, as well as reminder fees. The off-setting of counterclaims against fees/invoices of the recording studio is not possible. The client agrees to reimburse the recording studio for expenses incurred in connection with the debt collection, especially costs of a licensed collection agency per remuneration guidelines of the Austrian Federal Economic Commerce from 1993, as limited by BGBL 141/1996, as well as 15% interest for arrears.

6. Rights, Licenses

All products delivered and produced by the recording studio, as well as rights from goods and services remain the property of the recording studio until payment in full of all claims against the contracting entity arising from the contractual relationship (including interest and additional fees).

A resale or other disposition by the contracting entity during the legally valid reservation of title is inadmissible and invalid without written permission of the recording studio. The client shall only hold the right of use after full payment.

Limitations in this connection extend to music compositions, music productions, music processing, remixes, etc., whereby the rights of use shall be invoiced separately and are generally limited in time and place. The client is obligated to notify the recording studio of every further use beyond the rights acquisition and to acquire the necessary rights of use.

The contracting entity shall be liable for having all the necessary authorisations for placing the order of production, adaptation, duplication of audio recordings for any purpose, in particular for commercial use. Further, the client declares to be authorised or hold licenses to the copyright and associated usage rights and/or have adequate authorisation from the author or rightholder.

The contracting entity shall bear liability for any claims from third parties against the recording studio as a result of its performance of the contract, and shall be obligated to indemnify and hold harmless the recording studio. The client explicitly agrees with the statutorily mandated notification of the relevant collecting societies by the recording studio.

7. Other Provisions

Industry-specific flexibility and unbureaucratic project execution are imperative in connection with the sound production. Therefore, the placement of an order is not always possible in writing due to rapid need for action in many cases. If at the time of the project execution no written order exists for the above-named reasons, the notes taken by the recording studio shall be the only legally valid basis unless proven otherwise.

In case several clients commission the recording studio for the production of a work, before commencing performance, it shall be stipulated in writing which client has the power of attorney over the other clients for making declarations in connection with previous items. Especially the person shall be named who is responsible for the approval of the sound production.

Changes to the production contract and/or production terms shall require written confirmation. In the event that a provision in the production contract should nullify any of the provisions of these production and delivery terms, it shall not affect the validity of the remaining provisions.

The recording studio shall reserve the right to retain any objects the client has ceded to or stored at the recording studio, including material produced for the client, until all outstanding accounts in connection with the commissioning of the work are settled. The recording studio shall bear no liability for left objects; these shall be stored at the expense and risk of the client at the recording studio, which shall be entitled, upon advance written notification, to store such objects on the premises of a third party at the expense of the client.

8. Applicable Law / Jurisdiction

The place of jurisdiction shall be the court at The court shall apply substantive Austrian law.

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