

General Terms and Conditions

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1. Copyright and Usage Rights:

- 1.1 Every order placed with the agency is a contract of copyright for work and services, based on the granting of usage rights to the services provided.
- 1.2 All of the services provided within the scope of the order (e.g. concepts, ideas, drafts and final artwork) as well as presentations given with the objective of closing the contract are subject to copyright law. The copyright law (UrhG) stipulations shall also apply when the extent of originality of the work of authorship in accordance with the UrhG is not given.
- 1.3 The use of presentations on the part of the ordering party requires that prior consent be given by of the agency. Accepting remuneration for a presentation does not constitute consent for the use of the agency's work and services.
- 1.4 The services, drafts and final artwork may not be modified without the express permission of the agency, neither in their original form nor in their reproduction. Any form of imitation - in whole or in part - is prohibited. A breach of this stipulation shall entitle the agency to charge a contract penalty equal to double the agreed upon remuneration. If no remuneration has been agreed upon, the standard amount of remuneration according to the trade agreement for design services SDSt, AGD shall apply.
- 1.5 The agency shall assign the usage rights required for the respective purposes to the ordering party. If nothing else is specified, only the simple usage right shall be assigned for the region of the Federal Republic of Germany and limited to the duration corresponding to the purpose of the contract.
- 1.6 Assignment of usage rights to third parties shall require express written consent.
- 1.7 Usage rights shall not be transferred until complete payment of the remuneration amount has been made. Usage rights to services which have not yet been paid for upon termination of the contract shall remain with the agency.
- 1.8 The agency shall have the right to be named the original author of the work to be reproduced. A breach of the right to such naming as the original author shall entitle the agency to compensation for damages. Without substantiation of a higher level of damage, compensation for such damage shall amount to 50% of the agreed upon amount of remuneration, or of the standard amount of remuneration in accordance with the trade agreement for design services SDSt, AGD. The right to a substantiated claim for a higher level of compensation for damages shall not be affected.
- 1.9 The agency has the right to publish work designed and produced for the ordering party for the purpose of marketing the agency.
- 1.10 Suggestions and instructions made by the ordering party or any other form of assistance given on the part of the ordering shall not constitute any form of joint copyright.

2. Remuneration

- 2.1. Remuneration shall be based upon the trade agreement for design services SDSt/AGD, provided that no other agreements have been made. The remuneration amounts are the net amounts to be paid in addition to the applicable value added tax.
- 2.2. If no usage rights are granted and only drafts, technical drawings and/or models are delivered, fees for usage shall not be charged.
- 2.3. If the drafts are used at a later point in time, or used to a greater extent than originally specified, the agency shall be entitled to bill for such usage retroactively, or to charge the difference between the higher amount of remuneration for the usage and the original amount of remuneration paid.

2.4. The creation of drafts, the rendering of services and any other activities which the agency provides the ordering party are subject to charges, unless other arrangements have been expressly agreed upon.

3. Payment Due

3.1. Payment shall be due upon delivery of the work. Such shall be paid without deductions. If the ordered work is accepted in individual parts, an appropriate remuneration shall be due with the acceptance of each of these parts. If the execution of an order requires a longer period of time, or if an order involves high initial financial expenditure on the part of the agency, the following initial partial payments shall apply: 1/3 of the total amount of remuneration due upon placing the order, 1/3 of the total amount of remuneration upon completion of 50% of the work and 1/3 upon delivery.

3.2. In the case of payment delay or default, the agency shall be entitled to charge the legally applicable default interest. The right to a substantiated claim for more extensive damages shall not be affected.

4. Special Services, Additional and Travel Expenses

4.1. Extra services - such as the reworking or modification of drafts, the final artwork, the study of manuscripts or the monitoring of models or prototypes and printing, which are beyond the original scope of the contract, or additional effort occurring as a result of changes requested by the ordering party shall be billed separately on the basis of the time required in accordance with the trade agreement for design services SDSt/AGD.

4.2. The agency shall be entitled to procure any outside services necessary for the purpose of completing the order in the name of the ordering party and for the account of the ordering party. The ordering party shall be obligated to grant the agency such power of attorney.

4.3. If, in individual cases, contracts governing external services have been concluded in the name of the agency and for the account of the agency, the ordering party shall be obligated to internally release the agency from all liabilities, which result from the conclusion of such contracts. These include, in particular, the acceptance of costs.

4.4. Expenses incurred for technical auxiliary costs, in particular for special materials for the creation of models, photographs, reproductions, typesetting and printing, etc., shall be reimbursed by the ordering party

4.5. Travel and additional expenses incurred for trips taken in connection with the order and of which the ordering party has been informed shall be reimbursed by the ordering party.

5. Retention of Title

5.1. Only usage rights, and not property rights, shall be granted with regard to all services, drafts and final artwork.

5.2. Therefore, the originals must be returned in undamaged form within a reasonable period of time, unless other arrangements have been expressly agreed upon. In the case of damage or loss, the ordering party shall be obligated to compensate the costs of replacing the originals. The right to claim compensation for more extensive damage shall not be affected.

5.3. The shipment of work and models shall be executed at the risk of the ordering party and for the account of the ordering party.

5.4. The agency is not obligated to submit files or layouts which were created on a computer to the ordering party. If the ordering party desires the delivery of computer data, such must be separately agreed upon and remunerated. If the agency makes computer files available, such files may only be modified with the prior consent of the agency.

6. Proofing, Monitoring Production and Checking Copy

6.1. Checking copies must be submitted to the agency before reproduction occurs.

6.2. The agency shall take on production monitoring only within the scope of a special agreement. Should such production monitoring be taken on, the agency shall be entitled to make any decisions it deems necessary and to issue instructions as it sees fit. The agency shall be liable only for errors for which it is directly responsible as well

as for those resulting from intentional or grossly negligent conduct on the part of the agency.

6.3. The ordering party shall make 10-20 flawless copies of the reproduced work available to the agency without charge.

7. Liability

7.1. In the case of damage to documents made available to the agency, the agency shall only be liable in cases of intentional or gross negligence. Compensation for damages above and beyond the material value is excluded.

7.2. The agency shall be obliged to select and instruct its vicarious agents with care. It shall not be liable for its vicarious agents beyond this extent.

7.3. The agency shall also be entitled to have third parties perform the services for which it is responsible. In the case that the agency orders the external completion of necessary services, such external suppliers shall not be considered vicarious agents of the agency. The agency shall only be liable for errors for which it is directly responsible and only in the case of intentional or gross negligence.

8. Freedom of Design and Models

8.1. The freedom of design shall be given within the scope of the order. Complaints with regard to artistic design are excluded. Should the ordering party request that changes be made during or after the production phase, such changes shall result in additional charges. The agency shall retain the right to remuneration for work already begun.

8.2. If the execution of the order is delayed for reasons caused by the ordering party, the agency shall be entitled to increase the remuneration by an appropriate amount. In the case of intentional or gross negligence, it shall also be entitled to claim compensation for damages. Subsequent claims to compensation for default damages shall not be affected.

8.3. The ordering party assures that it is authorized to use all of the models submitted to the agency. In the event that, in spite of this assurance, the ordering party is not authorized to such usage, the ordering party shall release the agency from any third-party claims to compensation.

9. Legal Permissibility/Protectability and Registrability

9.1. The ordering party shall bear the risk of the legal permissibility of the measures developed and completed by the agency.

9.2. Neither shall the agency be liable for the protectability or registrability in terms of patent law, copyright law, design protection law, usage law or trademark law with regard to the services, drafts, ideas, proposals, suggestions and concepts provided within the scope of the order.

9.3. To the extent that the ordering party provides the agency with graphical/audio/video materials or any other materials, the ordering party shall be responsible for the legal permissibility of its usage. In particular, the ordering party shall be obliged to clarify any issues concerning rights and pay for the corresponding licenses. The agency shall have no obligations to verify such in this regard.

10. Closing Provisions

10.1. The place of jurisdiction and performance is Munich.

10.2. The invalidity of one of the aforementioned terms and conditions shall not affect the applicability of the remaining terms and conditions.

10.3. Transactions shall be subject to the laws of the Federal Republic of Germany.