

## **GENERAL TERMS OF LEASE AND CONDITIONS**

### **1. Effect**

These General Terms and Conditions shall, without any limitation, apply to any legal relationships entered into between us and our customer, provided nothing to the contrary has been agreed upon. In the event that our General Terms and Conditions are inconsistent with those of our customer or any third party entering into a business relationship with us, our General Terms and Conditions shall prevail, even if we have not objected against those of our customer or of the third party. Provided we are unable to fulfil our services as assigned to us either continuously or temporarily, we reserve the right to transfer such assignment to selected specialized subcontractors at customer's risk and on the customer's account.

### **2. Offer and conclusion, deadlines and due dates**

Our offers are free and without obligation, provided no special term of commitment has been guaranteed. Any deadlines and periods are basically deemed to be considered as prospective deadlines, unless such deadlines have been agreed upon as fixed date in a given special agreement. Such period shall commence upon sending the order confirmation, however, upon final clarification of all terms of the order and all technical details and the documents to be provided by the customer at the latest, in particular, the customer shall provide a confirmation in accordance with section 7 confirming conclusion of an insurance by the customer in which we are specified as beneficiary. Furthermore, all individual instructions and approvals, which might be necessary to be obtained, must be confirmed in such letter. Any subsequent changes requested by the customer will interrupt such period, and such period will be revived after announcement of all changes requested. Any agreements require our written confirmation to become effective. Any agreements made after conclusion of contract, including any changes, cancellations and/or amendments, shall require our written confirmation to become effective. Any waiver of the written form may only be made in writing. Orders shall be deemed accepted by us without our written confirmation, if the service as commissioned by the customer has been rendered by us.

### **3. Performance**

#### **3.1**

The customer shall inform us about the intended use in detail and shall check the equipment and all accessories including the vehicles for their trouble-free condition, correct functionality and completeness before receipt or despatch. The customer shall be obligated in any case to carry out a full test run of the equipment before their intended use. Receipt of the equipment including all vehicles shall serve as customer's confirmation of their trouble free condition suitable for the use in accordance with the terms of the contract.

## **3.2**

The customer shall use due care when handling goods transferred to him. In case of any transfer of our equipment to third parties free of charge or onerously (i.e. commercial or non-commercial sub-letting), the customer shall insure the equipment and shall - irrespective of his own liability - handle any damage or loss through his own insurance.

## **3.3**

The items leased shall only be installed within their technical specifications and may only be assembled, operated and dismantled by expert persons. In case items are leased without service staff from ARRI the customer is responsible that all existing safety regulations will be observed, notably the regulations of the Accident Prevention & Insurance Associations and the guidelines of the Association of German Electric Engineers, VDE.

### **3.3.1**

The vehicles may not be used

- for transportation of passengers or items for a fee,
- for towing, pushing or otherwise moving another vehicle or a trailer,
- by any persons who are under the influence of alcohol or drugs.

### **3.3.2**

Mileage rates shall be calculated on the basis of the kilometre readings displayed on the on-board meters. In case of a meter failure, these rates shall be calculated according to distance measured on the road map plus 20 % for the additional distance. All vehicles are handed over to the customer with a full tank and shall be returned by the customer with a full tank as well.

### **3.3.3**

In case of an accident, the rental customer or driver shall safeguard the interests of the rental company and the insurer.

### **3.3.4**

As soon as the vehicle is not in use, the entire vehicle including the steering wheel lock must be kept locked.

### **3.3.5**

The customer shall comply with all statutory regulations for example, a ban on Sunday/Bank holiday driving, use of the tachograph (time chart), compliance with the goods traffic law (GüKG) and if applicable, shall carry with him proper shipping documents.

## **4. Term of lease**

### **4.1**

The term of lease shall commence upon the date of delivery and shall end upon the date of return to our stocks. In any case, the contractually agreed term of lease shall be the minimum term of lease. The leasing rates shall only be calculated as full daily rates. A weekly rate usually equals five daily rates. We refer to in particular the special weekend rates announced. Saturdays, Sundays, bank holidays and days half started will be charged as full rates. For the leasing rate, the price list valid at the time of contract conclusion shall apply. The prices stated therein are net prices, to which applicable value-added tax will be added. The minimum leasing rate shall be € 30.00. If the rate is less than € 50.00, it shall be paid in advance upon receipt or delivery.

### **4.2**

Art, duration and scope of the transfer of goods and vehicles shall otherwise be based upon the individual contract, delivery notes and/or performance statements.

### **4.3**

If an order is cancelled within 24 hours before commencement of the term of lease agreed upon, a compensation fee amounting to 50% of the overall leasing rate shall be payable.

### **4.4**

The customer shall bear all costs of transport and packaging. Return of the items shall be free of charge to our address. The customer shall bear the risk of transport, and this shall also apply in case we carry out transportation on their behalf. This shall have no effect whatsoever upon the obligations agreed upon in section 3 and 7. The customer must notify us immediately of any damages, in particular, of any transport-related damages.

## 5. Terms of payment and security interests

### 5.1

Payment shall basically be made in cash without any deduction upon collection of the item. If delivery is effected against invoice, the invoice amount shall become due and payable within 14 days of the receipt of invoice without deduction. We are not obligated to accept cheques or letters of credit. Acceptance of cheques or letters of credit shall only be made for the sake of performance. Discounts and bill charges shall be borne by the customer and shall become payable immediately. We shall be entitled to charge a reminder fee amounting to € 15.00 as of the second reminder. In the event that the customer is in default, we shall be entitled to charge interest on arrears in accordance with the statutory regulations (§288, paragraph 1, German Civil Code). If we become aware of any circumstances which put the customer's solvency or readiness to make payment into question, in particular, if cheques are not cashed, if payments are not made or if the customer is in arrears with his payments, we shall be entitled to demand payment of the full balance, even if cheques had been accepted and payment periods and prolongation of payment had been granted beforehand. Furthermore, in such event, we shall be entitled to demand advance payment and deposit of security or to withdraw from the contract after having granted a reasonable notice. The customer shall only be entitled to set-off, retention or deduction, also in case if complaints or counterclaims have been ascertained, if any such counterclaims have been legally determined or if they are undisputed.

### 5.2

In case of customer's insolvency for whatever reason, we shall be entitled to satisfy our outstanding accounts, from the securities the customer has transferred to other entities of the ARRI group relating from other business relationships. This shall, in particular, refer to the exploitation of any items transferred or assigned as security and any exploitation rights granted.

## 6. Liability

### 6.1

Liability for slight negligence shall be excluded. This shall also apply for own faults and responsibility for executive organs and faults caused by subcontractors.

### 6.2

We shall further not be liable for gross negligence of our subcontractors (with the exception of executives) towards companies, legal persons of public law and public special assets in the sense of § 310, paragraph I, German Civil Code.

### **6.3**

We shall further not be liable in the event of force majeure, strike, lock-outs and the conduct of suppliers and similar cases.

### **6.4**

To the event our liability shall be excluded and limited, this shall also apply to the personal liability of our employees, employers, staff, agents and subcontractors.

### **6.5**

We shall not be responsible for any items left in the vehicles after these have been returned. The customer shall hold us indemnified against all costs and claims arising which may be ascertained against the rental company from such losses or damages.

## **7. Insurances**

The items leased shall be insured by the customer by a comprehensive All-Risk insurance for the value as new. Before delivery of the items leased, the customer shall provide a letter confirming the insurance concluded (policy) in which we are specified as beneficiary. For vehicles and generators ARRI bears the insurance with an accident damage excess amounting to 1.500 € for each damage. Any changes of the risk scenario and all particularities exceeding the items' usual scope of use (increase of risk) must be notified and shall be announced separately before start of shooting. The customer shall bear the costs of any additionally necessary insurance, irrespective of whether he insures the equipment himself or through us. The customer shall be liable in case of theft, embezzlement, misappropriation by third parties or any other loss of the rental property irrespective of whether through customer's fault or not. The rented property may not be modified or changed in the course of repairs. Any such modifications may only be carried out in exceptional cases after prior written approval by ARRI.

## **8. Deficiency compensation**

The customer shall pay replacement at the amount equalling the leasing rate for the period of the repairs to be carried out by him or in case of replacement in case of total wreckage or loss. For vehicles, a mileage of 200 kilometres in addition to the daily rates shall be calculated on a lump-sum basis. The term of lease for the equipment and motor vehicles shall be agreed upon in individual contracts according to date and, if applicable, time. If the customer prolongs the term of lease agreed upon without our prior written consent, making it impossible for us to let the leased items to any subsequent renter, we shall have the right to claim damages at the minimum amount of the claims ascertained against us by the subsequent renter.

## **9. Return of the leased items**

We shall not confirm defect-free return of the equipment and vehicles upon re-acceptance. We expressly reserve the right to subject the equipment and vehicles to detailed checks and to inform the customer of any possible defects or losses (shortages) for a period of up to four weeks.

## **10. Miscellaneous**

Munich shall be the place of performance.

Munich or the customer's domicile shall be the place of jurisdiction of our choice for any claims including cheque and summary bill enforcement proceedings. German law shall exclusively apply. If any of the provisions of these General Terms and Conditions or any provision contained in any agreements entered into between us and the customer is or becomes wholly or partially invalid, this shall have no effect on the validity of the remaining provisions or agreements. Any invalid provision or agreement shall be replaced by valid provisions or agreements which come as close as possible to the commercial purpose intended.

**Effective July 2017**