

General Terms and Conditions of Business and Delivery (AGB)
of the Celebrate Records GmbH

1. scope of application

The following general terms and conditions of sale, delivery and payment apply to all legal transactions of Celebrate Records GmbH - hereinafter referred to as CELEBRATE - with its contractual partner - hereinafter referred to as the customer (CUSTOMER). These terms and conditions are the basis for all offers and agreements and are considered accepted for the duration of the entire business relationship by placing the order or acceptance of the delivery by the client, even if no explicit reference is made to them when placing the order. Terms and conditions of the CL that deviate from these GTC's or other terms and conditions of business are not binding for CELEBRATE, unless their application has been expressly agreed. This is also valid if CELEBRATE has not explicitly contradicted. The current GTC's can be viewed at www.celebrate.de.

2. order acceptance

Offers of CELEBRATE are always subject to change. Orders are only binding after written confirmation by CELEBRATE or signing of the contract. If no written confirmation is received within 15 days written confirmation within 15 days, the order is not considered accepted.

3. delivery time

- A. Delivery dates or deadlines are binding if they have been agreed in writing. Delivery days shall be deemed to be working days.
- B. The delivery periods shall not begin to run until the Client has fulfilled its obligations to cooperate, in particular has provided the material/medium to be processed (audio data, graphic data and all other relevant data according to the specifications required for the order, GEMA release) in the required quality. This shall also apply to finish pressings; in addition, a binding delivery date shall only be assigned on a daily basis after the release of the test samples.
- C. If a down payment or partial payments have been agreed upon, the delivery period does not begin before fulfilment of the conditions according to paragraph B and receipt of the down payment on the account of CELEBRATE or an account determined by CELEBRATE. CELEBRATE is entitled to a right of retention until the fulfilment of agreed down payments.
- D. In the event of disruptions in delivery and performance due to force majeure or circumstances for which CELEBRATE is not responsible, including strikes, official orders, power failures, failure of material deliveries – even if these problems occur with suppliers – the delivery time is extended by the duration of this disruption plus 15 working days start-up time. If this disruption lasts longer than 6 weeks, the AG can withdraw from the contract. Further claims are excluded. However, the CL must pay for the goods already produced and delivered or ready for delivery in proportion to the value of the order to the number of pieces. CELEBRATE is obligated to inform the CL about delivery and service disruptions in a timely manner.
- E. If the delivery date is exceeded, the OP may withdraw from the contract by setting a reasonable grace period, which shall be at least 10 working days and shall include the threat of withdrawal from the contract.
- F. In case of withdrawal due to culpable delay by CELEBRATE, there is a claim for damages in the amount of 0.1% of the net order value per working day, but not more than 5% of the net value of the services affected by the order. Any further claims are excluded, unless the delay is due to intentional or grossly negligent breach of duty.
- G. In case of self-collection by the Client, the goods shall be handed over by means of delivery documents and a copy of the identity card of the person collecting the goods. The vehicle registration number shall be noted on the delivery bill. In the case of foreign shipment collections, the export certificate or confirmation of receipt in accordance with the German Turnover Tax Act (UstG) is obligatory. The collector, the AG as well as the recipient of the goods have to confirm the receipt of the goods before handing them over. In the other case VAT is to be paid according to current German law.

4. Place of performance

- A. Delivery shall be free ex works Stollberg at the risk of the OP. The OP shall bear the costs of dispatch or transport.
- B. The dispatch by CELEBRATE takes place exclusively on pallets in order to avoid transport damages. Should the client request a parcel shipment, CELEBRATE is not liable for transport damages. Excluded from this are test pressings and packages up to 5kg.
- C. Transport insurance shall only be taken out at the request and for the account of the Principal.
- D. If dispatch is delayed at the request of the OP or if the goods are not collected by him, the risk shall pass to the OP upon notification of readiness for dispatch.

5. Terms of payment

- A. CELEBRATE is entitled to issue partial invoices for partial deliveries made. The services not included in the partial invoice may be claimed in the final invoice.
- B. Invoices shall be settled in full within 8 days or within the invoice due date agreed with the Client after receipt of the invoice. If this period is exceeded, interest shall be charged on the outstanding amount at 8% above the respective base interest rate.
- C. In the case of foreign currencies, the conversion rate applicable at the time of maturity shall apply. The CL shall ensure that the amount stated in the invoice is credited in EURO to the account of CELEBRATE or to an account designated by CELEBRATE.
- D. Cheques are not accepted.
- E. Offsetting against counterclaims is only permissible if the counterclaim in question is undisputed or has been legally established. The same applies to the assertion of a right of retention.
- F. In the event of reductions in charges, we refer to the condition agreements concluded with us.
- G. Paypal, transfer and/or bank costs shall be borne by the AG.
- H. New customers pay 3x in advance. From the 4th production onwards, we deliver on account if there is a positive credit decision by the collection agency.

6. Default of payment

If the fulfilment of the payment claim is endangered due to a deterioration of the financial situation of the CL that has occurred or become known after the conclusion of the contract, CELEBRATE may demand advance payments and immediate payment of all outstanding invoices, including those not yet due, withhold goods not yet delivered, and stop further work on orders still in progress. CELEBRATE is also entitled to these rights if the client does not make any payment despite a reminder justified by default.

7. Retention of title

- A. All goods delivered shall remain the property of CELEBRATE until full payment of all claims arising from the business relationship, including ancillary claims and claims for damages.
- B. The retention of title shall also remain in force if individual claims of the employer are included in a current account and the balance is drawn and recognised.
- C. The CL shall only be entitled to resell the goods taking into account the following provisions and only subject to the proviso that the claims pursuant to clause 5 are actually transferred to CELEBRATE.
- D. The authority of the CL to sell goods subject to retention of title in the ordinary course of business shall end with the revocation by CELEBRATE as a result of a sustained deterioration in the financial situation of the CL, at the latest, however, with its suspension of payments or with the application for or opening of insolvency proceedings against its assets.
- E. The CL hereby assigns the claims with all ancillary rights from the resale of the reserved goods - including any balance claims - to CELEBRATE.
- F. If the CL has sold the claims within the scope of genuine factoring, the claim of CELEBRATE shall become due immediately and the CL shall assign the claim against the factor taking its place to CELEBRATE and shall immediately transfer its sales proceeds to CELEBRATE. CELEBRATE accepts the assignment.
- G. The Principal is authorised to collect the assigned claims as long as he meets his payment obligations. The collection authorisation shall expire upon revocation, but at the latest in the event of default of payment by the CL or in the event of a significant deterioration of the financial situation of the CL. In this case CELEBRATE may threaten the customer with the collection of the

claim by itself or by a third party. After expiry of the deadline CELEBRATE is authorised by the CL to inform the customers of the assignment and to collect the claim itself. The CUSTOMER is then obliged to hand over to CELEBRATE upon request an exact list of the claims to which the CUSTOMER is entitled with names and addresses of the customers, amount of the individual claims, invoice data etc. and to provide CELEBRATE with all information necessary for the assertion of the assigned claims and to allow the verification of this information.

- H. If the value of the securities existing for CELEBRATE exceeds its total claims by more than 20%, CELEBRATE is obliged to release securities of its choice at the request of the client or of a third party affected by the excess security of the client.
- I. Pledging or transfer by way of security of the reserved goods or the assigned claims is not permitted. CELEBRATE is to be informed immediately of any pledges, indicating the pledgee.
- J. If CELEBRATE takes back the delivery item on the basis of the reservation of title, a withdrawal from the contract only exists if CELEBRATE expressly declares this. CELEBRATE can satisfy its claims from the returned goods subject to retention of title by sale on the open market.
- K. The CUSTOMER shall keep the reserved goods for CELEBRATE free of charge. He shall insure himself against the usual risks such as fire, theft or water to the customary extent. The CL hereby assigns to CELEBRATE its claims for compensation to which it is entitled from damages of the above-mentioned kind against insurance companies or other parties liable for compensation, to the amount of the invoice value of the goods. CELEBRATE accepts the assignment.
- L. All claims as well as the rights arising from the retention of title to all special forms stipulated in these terms and conditions shall remain in force until full release from contingent liabilities entered into by CELEBRATE in the interest of the client.

8. Tools

- A. All reproduction tools produced via the CL shall remain the property of CELEBRATE.
- B. Pressing tools, matrices and printed matter shall only be used for orders placed by the CL and shall be destroyed 1 year after the last use without prior notification.
- C. Covers, labels and other printed matter will be stored at the risk and peril of the CL for 4 weeks according to CELEBRATE's price lists. After this period, they shall be destroyed without further information. Printed matter of less than 50 items shall be destroyed immediately or sent along with the order.

9. Special conditions/Testpressings

- A. The client undertakes to make the material available in suitable quality for duplication. If defects arise in the reproduction due to errors or deficiencies in the source material which were not recognisable by CELEBRATE, the CL shall be obliged to pay for the manufactured goods.
- B. The CL shall be responsible for the correctness of the data supplied. If the colour proof is missing for printed matter, subsequent complaints cannot be accepted.
- C. Audio data must be delivered ready for vinyl cutting. If the customer does not order pre-mastering, it is assumed that the delivered material has already been mastered. The client shall be responsible for any defects that arise in this case due to less than optimal pre-mastering.
- D. If the cue sheet of the supplied CD-R and the label copy for vinyl production are missing, no claims can be made against CELEBRATE due to incorrect track allocation.
- E. If CELEBRATE detects defects in the source material, CELEBRATE undertakes to inform the CL of these defects without delay. The client is also obliged to provide new suitable source material without delay.
- F. If the CL requests a test/pressing of a production, 2 copies shall be produced. The CL shall have one week to notify defects in the test pressing in writing. If no complaint is made, the production of the ordered edition shall be deemed to have been approved and shall be carried out.
- G. If the customer supplies master foils/DMM foils, these shall be produced in accordance with the DIN of the Deutsche Schallplatte. If CELEBRATE detects a defect during the visual inspection, CELEBRATE may reject the foil. The client shall be liable for damages and consequential costs.
- H. Coloured vinyls have a higher noise floor than black vinyls. The current colour scale can be viewed at www.celebrate.de. The colours shown are for orientation purposes only. Production, monitor and printing deviations may occur. For coloured vinyl, CELEBRATE does not guarantee that the vinyls are purely clean with one colour. Due to the production process, residues of other colours may always be visible on the vinyls. Colour deviations have no influence on the sound.

10. Data protection

CELEBRATE is entitled to collect, store, process and use personal data for its own purposes within the legally permissible scope.

11. Copyright

- A. The Client assures that there are no reasons preventing the reproduction according to the submitted source material.
- B. The Principal shall be responsible for the settlement of all rights used by composers, lyricists, arrangers, artists, organisers, photographers, etc.
- C. The CL shall assume full guarantee liability for the correct and complete communication of all required information. The client shall indemnify CELEBRATE against all resulting claims by GEMA, other societies for musical performing and/or mechanical reproduction rights or other third parties.

12. Warranty

- A. CELEBRATE warrants the completeness of the agreed quantities of reproductions in accordance with the carrier material and the data and materials handed over. It does not give any warranty for the quality-compliant reproduction of the sound carriers on inferior or non-standard reproduction devices.
- B. Complaints due to incomplete, defective or incorrect deliveries must be made in writing immediately, within 3 working days, after delivery. Later complaints are excluded, unless the defects are not obvious or not immediately detectable. The defective deliveries are to be returned to CELEBRATE without delay.
- C. CELEBRATE has the right to deliver a replacement for defective goods within 21 working days after return.
- D. If the replacement delivery fails, the CL can demand a price reduction or cancellation of the contract. Further claims are excluded.

13. Liability

Claims for damages against CELEBRATE are excluded, unless CELEBRATE is responsible for the damage due to intentional or grossly negligent behaviour.

14. Foreign deliveries

- A. In case of deliveries abroad according to § 6 UStG the CL has to provide CELEBRATE with all necessary information and documents required by CELEBRATE as proof for a tax-free export delivery vis-à-vis the German tax authorities. If the CL does not comply with his obligation to cooperate, the CL will owe CELEBRATE the amount of the respective applicable German VAT from the invoice amount.
- B. In the case of deliveries from Germany to another EU member state according to § 6a UStG, the CUSTOMER has to inform CELEBRATE in due time before delivery of his valid VAT identification number under which he carries out the purchase taxation within the EU. In case of collection of the goods ex works Stollberg or by a transport company commissioned by the CL, the CL has to provide CELEBRATE with the original export certificate. If these documents are not available to CELEBRATE or are not provided by the CL, the CL will owe CELEBRATE the amount of the respective applicable German VAT from the invoice amount.
- C. The legal relations between CELEBRATE and the CL are subject to German law, with the exception of the United Nations Convention on Contracts for the International Sale of Goods /CISG of 11.04.1980.
- D. Place of performance is Stollberg. Place of jurisdiction for CELEBRATE and the CL is Chemnitz. CELEBRATE is also entitled to sue the CL at his general place of jurisdiction.