

PARK CIRCUS LIMITED

STANDARD TERMS – February 2008 Version

These terms apply where referenced in a Licensing Agreement. A Licensing Agreement together with these terms form "this Contract". In the event of conflict between a Licensing Agreement, and these terms, then the Licensing Agreement will prevail.

Any term defined in a Licensing Agreement shall have the meaning set out in that Licensing Agreement.

LICENCE

- 1 We grant you a licence to exhibit the Film(s) theatrically at the Premises during the Licence Period up to the Maximum Number of Performances.
- 2 All other rights in relation to the Film(s) are reserved. You will not exhibit the Film(s) other than as expressly licensed under Clause 1. Nothing in this Contract transfers intellectual property rights.
- 3 You shall be responsible for obtaining and paying for any licences required in relation to exhibition of the Film(s) in the venue including without limitation local government licences, and licences from collecting societies such as the Performing Rights Society (or its equivalent in other jurisdictions).
- 4 Unless stated otherwise in the Licensing Agreement the Film(s) shall not form part of a programme where other films are being exhibited including (without limitation) as part of a double bill.
- 5 You should be aware that the Film(s) may be separately licensed for exhibition on television, or distribution including (without limitation) DVD distribution during the period you are entitled to exploit the Film(s).
- 6 You may not remove any branding from the Film(s). You may only exhibit the Film(s) in their entirety with original continuity of subject in linear form, and you must exhibit all the copyright statements and all the credits in the Film(s).

PRINT DISTRIBUTION, STORAGE AND COLLECTION (FILM STOCK)

- 7 If you have indicated in the Licensing Agreement that you require a 35mm or 16mm print of a Film from us then:
 - 7.1 we will make available such a print ("the Print") for collection by you (or on your behalf) during normal business hours from Deluxe Film Services Limited, 17 Wadsworth Road, Perivale, Greenford, UB6 7JD or such other address in mainland United Kingdom specified by us ("Collection");
 - 7.2 alternatively, and only where specified by us, we will deliver the Print to the Premises (typically this occurs where the Print is being moved from cinema to cinema without returning to the central storage point) ("PC Delivery");

- 7.3 no later than the next business day following expiry of the Licence Period you will deliver the Print to the address you collected it from, or such other address in mainland United Kingdom specified by us, in each case during normal business hours ("Return"); and/or
- 7.4 alternatively and only where specified by us you will allow us or our representatives to collect the Print from the Premises during normal business hours (typically this occurs where the Print is being moved from cinema to cinema without returning to the central storage point) ("PC Collection").
- To be clear you will pay for the cost of Collection and Return.
- 8 You will be responsible for any loss of or damage to the Print (other than normal wear or tear) during the period between: i) Collection or PC Delivery; and ii) Return or PC Collection ("the Responsibility Period"). During the Responsibility Period: i) you will store the Prints securely; ii) you will not copy the Print, or allow the Print to be copied. You must insure against loss or damage to the Print during the Responsibility Period. You will provide reasonable evidence of that insurance to us on request.
- 9 You will report to us any loss of or damage (other than normal wear or tear) to the Print as soon as reasonably practicable after you become aware of the same. If a Print is lost or damaged during the Responsibility Period then we may invoice you for, and you must pay, the cost to us of producing a replacement.
- 10 We do not routinely inspect Prints for damage. If the Print is damaged at the point of your receipt then you must let us know as soon as reasonable practicable. In that event we will use reasonable endeavours to get a replacement Print to you as soon as we can. If you do not report damage to Print at the point of receipt, and the subsequent exhibitor reports damage to the Print at the point of his/her/its receipt, then we will assume the Print was damaged by you unless you can prove otherwise.

PRINT DISTRIBUTION (DIGITAL)

- 11 If you have indicated in the Licensing Agreement that you require a digital print of a Film from us then we will authorise Arts Alliance Media Limited (of 9-11 North End Road, London, W14 8ST), or another well established digital fulfilment house specified by you, to put a digital copy of the Film in an industry standard format onto an external hard disk device, and to subsequently deliver that hard disk device to you. We may instruct that that copy is encoded with digital rights management information such that it can only be exhibited in accordance with the terms of this contract. To be clear you will require a separate contract with Arts Media Alliance Limited, or the other digital fulfilment house specified by you, in relation to delivery and return of the hard disk device and similar matters.

PRINT DISTRIBUTION (DVD AND VIDEOTAPE)

- 11.1 If you have indicated in the Licensing Agreement that you require a DVD or Videotape copy of a Film then
- 11.1.1 we will deliver such a copy ("the Tape") to the address specified by you ("Delivery");
- 11.1.2 no later than the next business day following expiry of the Licence Period you will deliver the Tape to the main business address of Park Circus Limited, or such other address in

mainland United Kingdom specified by us, in each case during normal business hours ("Return").

- 12 You will be responsible for any loss of or damage to the Tape (other than normal wear or tear) during the period between: i) Delivery; and ii) Return ("the Responsibility Period"). During the Responsibility Period: i) you will store the Tape securely; ii) you will not copy the Tape, or allow the Tape to be copied.
- 13 The provisions of Clauses 9 and 10 above in relation to Prints apply equally to Tapes.

PAYMENT

- 14 In exchange for the grant of the licence in Clause 1, and performance of our obligations under the Contract, you will pay to us:-
- 14.1.1 The Minimum Guarantee;
- 14.1.2 A sum equivalent to the Box Office Percentage of the Total Box Office Income (after deduction of the Minimum Guarantee) (in these terms the "Percentage Payment"); and
- 14.1.3 The Handling and Courier Charges.
- 15 We will invoice you for the Minimum Guarantee on or after the date set out in the Licensing Agreement. Where the Licensing Agreement specifies "Payment in Advance" then you have no rights under this Contract, and we have no obligations under this Contract, until we have received the Minimum Guarantee in cleared funds.
- 16 We will invoice you for the Handling and Courier Charges on or after the date set out in the Licensing Agreement.
- 17 In these terms the "Total Box Office Income" means the total box office receipts in respect of the exhibitions of the Film(s) licensed under the Contract. Tickets for the exhibitions shall be sold at the Premises' standard ticket prices. Where complimentary tickets for such exhibitions are given then that shall be deemed to be a sale of a ticket at the Premises' most expensive ticket price and the Total Box Office Income shall be increased accordingly.
- 18 If the Box Office Percentage is greater than 0% then you shall send to us by post, fax or email an accurate and true statement of Total Box Office Income no later than seven days after the end of the Licence Period ("the Box Office Return"). If you do not then the Total Box Office Income will be deemed to be the figures supplied by Entertainment Data / Nielsen EDI ("EDI") or ii) where the EDI figures are not reasonable available to us and amount equal to 10 times the Minimum Guarantee.
- 19 If the Box Office Percentage is greater than 0% and you fail to exhibit the Film(s) other than as a result of a Force Majeure Event (defined below) then the Total Box Office Income will be deemed to be twice the Minimum Guarantee.
- 20 Following our receipt of the Box Office Return, or if earlier the date seven days after the end of the Licence Period, we will invoice you for the Percentage Payment. That invoice will be sent to the Invoicing Address specified in the Licensing Agreement.

- 21 All sums set out in Licensing Agreement are expressed exclusive of United Kingdom Value Added Tax or equivalent sales taxes in other jurisdictions. We may invoice, and you shall pay, the Value Added Tax (or equivalent) thereon at the rate and in the manner prescribed by law, from time to time.
- 22 You must pay all invoices validly raised by us no later than twenty eight days from the date we sent the invoice to you (in these terms "the Due Date"). If you do not then we may charge you interest on any amount validly invoiced that has not been paid during the period between the Due Date and the date of payment at a rate of 4% per annum above the base lending rate of the Co-operative bank plc.

PUBLICITY MATERIALS

- 23 You may use the Publicity Materials we deliver to you ("Delivered Publicity Materials") in order to promote your exhibition of the Film(s) during the Licence Period, but not for any other purpose.
- 24 Following the Licence Period you will return the Delivered Publicity Materials to us . You shall not sell or otherwise dispose of the Delivered Publicity Materials without our consent.
- 25 If the Delivered Publicity Materials include stills from the movie (in whatever format) then you may reproduce these stills in press releases and adverts for your exhibition of the Film during the Licence Period.
- 26 You may not remove any branding from the Delivered Publicity Materials or any copies of the Delivered Publicity Materials. You may not alter the Delivered Publicity Materials in any way. You must display all copyright statements and credits as specified in the Delivered Publicity Materials or as otherwise specified by us whenever you display or reproduce the Delivered Publicity Materials. You may not make an endorsement of any product or sponsorship relating to the Film(s).

WARRANTIES

- 27 We warrant to you that the relevant copyright owners in the Film(s) have authorised us to grant the non-exclusive licence set out in this Contract.
- 28 We warrant to you that any Print or Tape we deliver to you will be in a good condition (fair wear and tear excepted) and fit for the purpose of theatrical exhibition. If is not then provided we follow the procedure for replacement Prints set out in Clause 10 above then we will have no further liability.
- 29 Except as expressly stated in these terms, all warranties, all conditions, and all intellectual property licences (whether implied by statute, common law or otherwise) are hereby excluded to the fullest extent permitted by law.

GENERAL

- 30 You may not disclose information about pricing in this Contract. We may identify you as a customer of ours.
- 31 Nothing in this Contract limits the liability of a party for: i) death, personal injury or fraud; or ii) for infringement of intellectual property rights; or iv) for breach of Clause 30.

- 32 Subject always to Clause 31 our total aggregate liability to you under or in relation to the subject matter of this Contract is limited to two times the total of all sums then paid and/or payable by you to us under this Contract.
- 33 Subject always to Clause 31 in no event shall we be liable to you, for any: i) loss of profits, loss of business, loss of revenue, loss of goodwill, loss of data or unrealised anticipated savings; and/or ii) indirect or consequential loss or damage, (in each case) to extent suffered or incurred under or in connection with the subject matter of this Contract.
- 34 Nothing in this Contract creates any relationship of partnership or agency between you and us.
- 35 For the purposes of this Contract, the expression "Force Majeure Event" shall mean any cause preventing or delaying the performance by a party to this Contract of its obligations and which arises from acts, events, omissions, happening or non-happenings beyond its reasonable control including (without limitation):
- 35.1 Power failure, breakdown in equipment, failure of suppliers, telecommunications failures, computer viruses (or other similar disruptive computer coding) or internet down time;
- 35.2 Strikes, lockouts, blockades, embargoes or industrial disputes by any labour not employed by the party affected.
- 36 Neither party shall in any circumstances be liable to the other for any loss of any kind whatsoever (including but not limited to any damages) whether directly or indirectly caused to or incurred by that other party by reason of any failure or delay in the performance of its obligations hereunder which is due to Force Majeure Event.
- 37 No party may assign its rights and/or obligations under this Contract without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).
- 38 The Licensing Agreement and these terms constitutes the entire agreement between the parties relating to the subject matter of this Contract and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties, and arrangements of any nature between the parties in relation to the subject matter of this Contract.
- 39 No variation of the Contract shall be effective unless made in writing and signed by you and us.
- 40 Nothing in this Contract creates legal rights for any person other than you or us.
- 41 If a provision of this Contract is held to be illegal, invalid or unenforceable under any enactment or rule of law in any jurisdiction, then such provision shall, to that extent, be deemed not to form part of this Contract and the legality, validity and enforceability of the remainder of this Contract shall not be affected.
- 42 No failure or delay in exercising, any right or remedy in connection with this Contract shall operate as a waiver of that right or remedy. No single or partial exercise of any right or remedy under this Contract shall preclude any other or further exercise of that right or remedy or the exercise of any other right or

remedy. A waiver of any breach of this Contract shall not be deemed to be a waiver of any subsequent breach.

- 43 This Contract shall be interpreted under and performed in accordance with and governed by English Law. All disputes between you and us in relation to this Contract shall be heard exclusively in the English Courts.

In addition to the foregoing standard terms the following terms apply only to a "Film Four Licence" where the licence is so described in the Licensing Agreement Special Terms. For the avoidance of doubt, where the following terms apply then in the event of any conflict or inconsistency between the following terms and those in the foregoing standard terms, the following terms shall take precedence to the extent of the conflict or inconsistency.

- 44 You represent and warrants to us, in addition to your obligations set forth in these standard terms, that:
- 44.1.1 You have taken all necessary action and have the power and authority to enter into and shall fully perform this Contract;
 - 44.1.2 You will neither exploit nor permit the exploitation of the Film(s) except in the manner(s) specified in this Contract;
 - 44.1.3 You will neither exploit nor permit the exploitation of the Film(s) after the expiry or termination of this Contract or in excess of the maximum number of permitted transmissions;
 - 44.1.4 You will not cut or edit the Film(s) other than in accordance with Clause 46 below, nor will you alter or delete any credit, logo, copyright notice or trademark included in the Film(s) or on any materials supplied hereunder and any such edits or cuts shall not infringe the rights of any third party;
 - 44.1.5 You will pay all residuals, use fees and the like, which become due as a result of your exploitation of the Foreign Language Version (as defined in Clause 46 below);
 - 44.1.6 You have not and shall not at any time create or allow to be created any liens or encumbrances in respect of the rights granted herein or enter into any agreements which might conflict or interfere with any of the provisions of this Contract;
 - 44.1.7 With respect to musical works and/or sound recordings controlled by PRS or PPL and/or their affiliated societies you shall be responsible for obtaining and paying for any performing, broadcasting or diffusion licences required in respect of the use of such musical works and sound recordings hereunder;
 - 44.1.8 nothing contained in this agreement shall relieve you of your obligations to obtain the required licenses and make the necessary returns for the broadcast and public performance of the music in the film(s) in the territory;
 - 44.1.9 You will not permit or allow the Film(s) to be exhibited or transmitted by any other party;

- 44.1.10 You will neither make nor authorise nor permit any third party to make any copies of the Film(s) save as may be necessary for the proper exercise of the rights granted hereunder;
 - 44.1.11 You will not by any act, or omission prejudice the copyright in the Film(s) or in any constituent parts thereof;
 - 44.1.12 If the delivery material is on loan you will insure the same comprehensively against all risks whilst in its possession or control;
 - 44.1.13 You shall not use or authorise the use of any name, likeness or voice of any person appearing in any Film(s) to endorse the use of any product or service;
 - 44.1.14 You shall comply with all laws and regulations concerning the distribution, broadcast, transmission, exhibition and/or supply of the Film(s) in the Territory; and
 - 44.1.15 You shall indemnify, keep fully indemnified and hold us harmless against all claims costs proceedings, demands, damages and/or liabilities including all reasonable legal costs in defending the proceedings arising as a result of any breach or non-performance or non-observance of the warranties or other agreements and obligations on your part herein contained or implied by law.
- 45 You shall exhibit the Film(s) in the form delivered by us and shall not edit, adapt, or alter the Programme(s) otherwise than for the purposes of: (i) foreign language reversioning in accordance with Clause 46; (ii) compliance with any local and/or official censorship or regulatory requirements; (iii) the insertion of commercial breaks, sponsorship, or advertising material; or (iv) time segmenting; provided always that you shall not alter or delete the credits, copyright notices, trade marks/names and all other logo or symbols included in the Film(s) as delivered; the meaning of the Film(s) as a whole shall not be impaired; and the title of the Film(s) shall not be changed (save for a direct foreign language translation of the title in accordance with Clause 28). In the event you desire to distribute the Film(s) under a title other than the current title (excluding the first direct foreign language translation of the current title (if any)) ("New Title"), you shall not do so without first (i) clearing such New Title for use in the Territory and (ii) obtaining our prior written consent to use such New Title.
- 46 You shall have the right to translate the Film(s) into the licensed Language (the licensed Language being any language so described in the Licensing Agreement Special Terms) for the purposes of creating a dubbed and/or subtitled language version of the Film(s) ("the Foreign Language Version"), and you shall be responsible for all payments and other obligations to translators, all foreign language voice-over talent and other third parties in respect of the creation of such Foreign Language Version. The parties agree and acknowledge that: (i) you shall retain the copyright to any elements added to the Film(s) to create such Foreign Language Version; (ii) the Foreign Language Version shall be deemed derivative work of the Film(s); and (iii) your ownership of the copyright in such Foreign Language Version shall be subject to the Producer's or any other third party copyright interest in the Film(s), and to the terms and conditions of this Agreement, including, without limitation, the Licence Period for such Programme(s) and grant of rights contained herein. Both we and Channel 4 Television Company Limited shall have free and unencumbered access to the Foreign Language Version created by you

and, you shall provide both ourselves and Channel 4 Television Company Limited with all necessary information to allow us to exploit the Foreign Language Version.

TERMINATION

- 47 Either party may terminate this Agreement if: (i) either party shall breach any of the terms of this Agreement and (if capable of remedy) fail to cure such breach within fourteen (14) days of written notification; or (ii) either party becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors; or (iii) an order be made or an effective resolution shall be passed for the winding-up of either party (except for the purpose of re-organisation or amalgamation without insolvency); or (iv) a receiver shall be appointed of either party's interest under this Agreement and such receiver shall not be discharged within twenty one (21) days of his appointment; or (v) either party ceasing or threatening to suspend making payments with respect to all or any class of debts or being deemed or becoming unable to pay its debts (within the meaning set out in Section 123 of the Insolvency Act); or (vi) any event which is analogous to or having a similar effect or result to any of the foregoing occurs in a jurisdiction other than England and Wales.
- 48 Upon expiry of the Term or earlier termination of this Agreement: (i) any sums previously paid to us shall remain the absolute property of and shall be retained by us and the balance of the Licence fee remaining outstanding (if any) and any and all other costs, expenses, charges or monies accrued but unpaid shall become immediately due (whether then due or not) and payable to us and this shall be without prejudice to any other rights or claims for damages of us against you; (ii) any and all Licensed Rights shall automatically revert to us and we may exploit such rights at our sole and absolute discretion; (iii) within 14 (fourteen) days of such expiry or termination of this Agreement, you shall, at our election, either: (a) deliver to us at your expense all materials supplied by us to you hereunder in connection with the Film(s), together with any copies thereof made by you, in the same condition in which they were received by you (fair wear and tear excepted); or (b) if requested by us in writing, destroy or erase the same, in which event you shall carry out such destruction or erasure at its own expense and shall provide to us a written certificate of destruction or erasure signed by one of your principal officers.
- 49 All warranties representations and indemnities given by you and us respectively hereunder shall pertain and subsist for our benefit and your benefit, as applicable, notwithstanding the termination of this Agreement and shall not be affected by such termination.