



## GENERAL TERMS OF CONTRACT

These General Terms of Contract (GTC) regulate the terms and conditions of the services provided by SPARKS Kft. ('SPARKS') to its clients under a service and lease contract.

### Details of SPARKS:

company name: Sparks Kamera és Világítástechnikai Szolgáltató és Kulturális Korlátolt Felelősségű Társaság

registered office: 1142 Budapest, Szőnyi út 30-34.

company register No: 01-09-166967

tax No: 10762879-2-42

telephone: +36 (1) 422-07-87

e-mail: sparks@sparks.hu

website: www.sparks.hu

### Definitions:

**CLIENT:** Entities using the services of SPARKS under a lease or service contract.

**Equipment:** Lighting equipment (lamps), cameras and camera grips and their accessories possessed by SPARKS, which SPARKS has on the basis of ownership or a use agreement.

**Lease contract:** A contract entered into by SPARKS with its CLIENTS, under which SPARKS transfers the possession of the equipment to its CLIENTS for a definite period, and its CLIENTS pay a lease fee. SPARKS typically enters into a lease contract with its CLIENTS for the following projects: photography, commercials, video clips, image films, concerts and programme nights.

**Service contract:** A contract entered into by SPARKS with its CLIENTS, under which SPARKS transfers the possession of the equipment to its CLIENTS and provides other supplementary services in connection with them for a definite period, and its CLIENTS pay an service fee. SPARKS typically enters into a service agreement with its CLIENTS for the following projects: examination or graduation films, short films, documentaries, sequels, TV films, cinema films and pilots.

### **Contract: Lease/Service contract**

**Projects:** They include theatrical and television films, television pilots, sequels and mini-sequels, films of the week, documentaries, commercials, videos, programme nights, image films, interviews, video clips, cultural nights (including, but not limited to, video cassettes, film discs and DVDs) and other visual or audiovisual programmes, with the exception of live broadcasts, and sports and other events.

**Contracting Parties:** SPARKS and its Customers

### I. COMMON PROVISIONS:

- 1 **Conclusion of contract:** After summarising the order of the CLIENT, SPARKS will send the CLIENT a budget/quotation containing the amount and due date of the lease/service fees, the equipment and the term of contract as well as these GTC. The CLIENT acknowledges that the budget/quotation sent by SPARKS and the General Terms of Contract (the 'GTC') shall be considered a contract offer. The terms of the contract are set out in the budget/quotation itself and the GTC. The offer and the GTC shall be considered to be



known and accepted, and the contract shall be entered into between the Parties with the content of the offer and the GTC if the CLIENT or its agent receives the equipment for the performance stated in the offer at the registered office of SPARKS. The Parties will also set out their agreement in a specific contract later. The CLIENT acknowledges that it shall notify SPARKS of any use of the equipment for the purpose of droning or other high risk activities. Upon receipt, the CLIENT certifies that it has received the equipment in a condition suitable for intended use.

- 2 **Entry into force and validity of contract:** The contract between the Parties shall be in force and effect after its conclusion, and the legal relationship of the Parties shall be governed by the budget/quotation, the GTC and the specific contract.
- 3 **Amendment of contract:** The Contracting Parties may amend the contract concluded between them in writing with unanimous will. The amendment may cover the duration of the contract, the service/lease fee and the equipment handed over.
- 4 **Expiry of contract:** The contract shall expire after the definite period specified therein expires. Upon the expiry of the contract, the CLIENT shall hand over the equipment at the registered office of SPARKS. At the time of handover, SPARKS shall take a record of the equipment and shall summarise any missing and damaged equipment in a separate record. The CLIENT acknowledges that SPARKS will issue an invoice for the costs of repair or replacement over and above the contract fee, which it shall pay. The CLIENT acknowledges that it shall not be entitled to take over/keep the damaged equipment even if it pays the invoice.
- 5 **Termination of contract:** Subject to the definite term of the contract, it may not be terminated by ordinary termination. The contract may be terminated with unanimous will or by extraordinary notice with immediate effect based on a gross breach of contract by the other Party, in particular, if the CLIENT fails to meet any of its payment obligations specified in the contract. If SPARKS terminates the contract with immediate effect, it shall be entitled to remove the equipment covered by the contract from the shooting location immediately. In the event of extraordinary termination, if it is due to the fault of the CLIENT, it shall pay the full contract fee to SPARKS.
- 6 **Notices:** The Parties shall be entitled to send each other their legal declarations related to the contract by e-mail. In the event of postal delivery, the notices shall be sent to the registered office of the CLIENT by registered letter with return receipt requested, specified when its details were recorded. The CLIENT shall ensure their accessibility at that address. The CLIENT shall immediately notify the other Party in writing of the change of its registered office; the previous addresses shall be considered valid until such notification. The Parties shall consider the date of delivery to be the date of receipt unless the Contracting Parties refuse to accept delivery of the consignment for any reason or do not ensure its receipt or if the consignment is returned with the remark 'unknown recipient', 'moved', 'insufficient address', 'rejected', 'did not claim it', 'other' or 'delivery obstructed', this fact is considered by the Parties to be the delivery of the letter on the 5th working day from the date indicated by the sender as the date of posting.
7. **Governing law:** The Parties shall regard the laws of Hungary and the relevant provisions of Act V of 2013 on the Hungarian Civil Code as governing any issue not regulated in the contract.



- 8 **Legal disputes:** The Parties agree to settle their legal disputes that may arise from the contract amicably, through negotiations. If the negotiations fail, the Parties shall submit to the exclusive jurisdiction of the court with jurisdiction at the registered office of SPARKS to determine any matters in dispute arising from the contract.
9. **Transport abroad:** SPARKS informs the CLIENT that if it transports the equipment for shooting work abroad, the transport shall be reported to the EKÁER system in the case of intra-Community transport and to the ATA CARNET system in the case of transport to and from a third country. The CLIENT acknowledges that it may only transport the equipment abroad if it has made the necessary notification. The CLIENT shall notify SPARKS 2 working days before delivery whether the CLIENT handles the notification itself or entrusts SPARKS to make the notification.
  - (a) If the CLIENT handles the notification itself, the following details shall be communicated and the following documents shall be handed over to SPARKS 2 working days before delivery:
    - (i) list of transported equipment,
    - (ii) EKÁER/ATA CARNET form,
    - (iii) waybill or delivery note.
  - (b) If the CLIENT entrusts SPARKS to make the notification, it shall provide the following details at the same time as above:
    - (i) actual or expected date of delivery and return delivery;
    - (ii) list, value and weight of the equipment to be transported, by equipment type (camera, lamp and grip);
    - (iii) consignor (if it is not us who handle it), company name, registered office and tax number;
    - (iv) consignee (always) company name, registered office and tax number;
    - (v) name and address of the place of loading (may differ from the consignor's address);
    - (vi) name and address of the place of unloading (may differ from the consignee's address);
    - (vii) motor vehicle registration number and international licence plate country code (at EKÁER).
10. SPARKS informs the CLIENT that its service/lease fees included in its contracts are determined each time on the basis of individual pricing, considering the circumstances of the contract. The pricing principles constitute trade secret of SPARKS, which it does not disclose to its contractual partners.
11. By concluding the contract, the CLIENT waives all claims for damages against SPARKS, its affiliates, officers, directors, employees, agents, representatives, insurers, legal successors, assignees and agents and holds them harmless from any liabilities, claims, litigation, losses, costs, damages and expenses (collectively referred to as 'claims') arising from the possession or use of the equipment by the CLIENT, including, without limitation, the preparation and testing of the equipment (whether or not such preparation and testing take place at the site of SPARKS), whether they are due to the current or future usability, quality, design, condition, repair, saleability, operation, performance or malfunction of the equipment or they are caused by a defect in the material of the equipment or deficiency in



workmanship, with the exception of claims for damages caused by intentional damage caused by SPARKS.

12. The Client undertakes to disinfect the equipment before returning them in accordance with the Disinfection Guide (COVID Annex) made available by SPARKS at the same time as the handover of the equipment.

## II. PROVISIONS APPLICABLE TO THE LEASE CONTRACT:

- 1 SPARKS shall be entitled to let on lease the equipment under contracts.
- 2 SPARKS declares that the equipment is suitable for use and informs the CLIENT of the way in which the equipment is operated at the same time as the handover of the equipment if the CLIENT so requests. The CLIENT acknowledges that during the lease relationship the CLIENT shall be responsible for giving competent instructions in relation to the receipt, use and placement of the equipment and shall be liable for any damages arising from giving incompetent instructions. The CLIENT shall also entrust qualified experts with both the receipt and use of the equipment.
- 3 SPARKS declares that it has no right on the equipment restricting use by the CLIENT.
- 4 The CLIENT shall use the equipment as intended and contractually. The CLIENT shall be liable for any damages resulting from use contrary to intended purpose or the contract. If the equipment is damaged through the fault of the CLIENT or if the equipment is lost or if it causes damage to SPARKS otherwise in connection with the lease (e.g. unpaid lease fee, which includes a lease fee not paid during the lease period specified in the lease contract and the lease fee due to SPARKS after the lease period, which SPARKS loses due to the conduct of the CLIENT contrary to the contract or intended purpose, and any additional costs related to the repair and/or replacement of the equipment), the CLIENT shall have full financial liability for it. The CLIENT expressly acknowledges that it shall indemnify SPARKS against all damages or liability, regardless of their nature or place of origin, which cannot be reimbursed under the insurance policy, and it shall therefore pay the indemnification invoice of SPARKS if the insurer refuses to pay for any reason. SPARKS informs the CLIENT that in the event of irreparable damage to the equipment, SPARKS will only be compensated by the purchase of new equipment; with regard to this, the indemnity obligation of the CLIENT shall be up to the acquisition value of the new equipment and other costs incurred by replacement. The CLIENT acknowledges that the defective equipment will not become the property of the CLIENT even if new replacement equipment is procured and the relevant invoice is paid.
5. SPARKS stipulates that the CLIENT:
  - may not transfer the use of the equipment to a third party;
  - may operate it exclusively in the area specified in the contract;
  - may not convert it (cause it to be converted) or repair it (cause it to be repaired) without the permission of SPARKS. If a repair is required, SPARKS shall be immediately notified in writing by the person who will carry out the repair (have it carried out), and the costs of the repair shall be borne by the CLIENT if the repair was made due to the use of the equipment contrary to the contract or its intended purpose.
6. SPARKS:
  - may check the use without undue disturbance to the CLIENT;
  - may require the termination of use contrary to intended purpose or the contract and



compensation for any damages sustained by it due to such use;

– may, if such use continues or if requiring the cessation of such use were not effective either due to the severity of imminent danger to the leased equipment, terminate the lease with immediate effect, may remove leased equipment from the shooting location and may claim compensation for damages.

- 7 The CLIENT shall provide the equipment at their replacement value for the entire duration of the lease, i.e. the shooting.
- 8 Upon the expiry of the lease period, the CLIENT shall return the leased equipment to SPARKS without delay.

### III. PROVISIONS APPLICABLE TO THE SERVICE AGREEMENT:

- 1 SPARKS shall provide lighting, camera and grip services under service agreements, as well as comprehensive services including each or some of their components.

#### 2. **Camera services of SPARKS:**

- (a) provision of professional assistance in the selection of the equipment necessary for the implementation of the Project designated by the CLIENT;
- (b) making available the equipment selected by the CLIENT during the term of the contract;
- (c) warehousing and storage of the equipment made available under a contract and verification of its functionality;
- (d) preparation of equipment according to production needs;
- (e) transport of equipment to the location under a separate agreement;
- (f) continuous liaison in connection with the equipment to meet the maintenance needs that may arise; in this respect, provision of 24-hour telephone and warehouse duty service: a person available on a telephone number provided will assist the Principal in the performance of its duties 24 hours a day if any questions, problems or comments arose in connection with the camera equipment;
- (g) ensuring the smooth, continuous operation of the equipment, in particular, its repair (repair of lenses, adjustment and inspection), making available replacement equipment if necessary. The defective equipment may be examined, repaired or possibly replaced either on the spot or at the registered office of SPARKS. SPARKS shall provide an opportunity to test the repaired equipment at its registered office. SPARKS shall provide a person on duty with unlimited decision-making powers to repair defects;
- (h) coordination and production service between different units;
- (i) provision of professional advice on the spot, as necessary for the operation of the equipment;
- (j) in addition to the professional advice regulated in point (i), the Agent shall, on request, provide the Principal with professional guidance to the extent necessary for the operation of the equipment;
- (k) provision of consumables needed for the operation of the equipment on the basis of separate remuneration.

#### 3. **Lighting services of SPARKS:**

- (a) provision of professional assistance in the selection of the equipment necessary for



the implementation of the project designated by the CLIENT;

- (b) making available the equipment selected by the CLIENT during the term of the contract;
- (c) preparation of equipment according to production needs;
- (d) transport of equipment to the location and its safety inspection under a separate agreement;
- (e) continuous liaison in connection with the equipment to meet the maintenance needs that may arise; in this respect, provision of 24-hour telephone duty service: a person available on a telephone number provided will assist the Principal in the performance of its duties 24 hours a day if any questions, problems or comments arose in connection with the lighting equipment;
- (f) ensuring the smooth and continuous operation of the equipment, repairing defects arising during intended use, if necessary, by making available replacement equipment. The defective equipment may be examined, repaired or possibly replaced either on the spot or at the registered office of SPARKS. SPARKS shall provide an opportunity to test the repaired equipment at its registered office. SPARKS shall provide a person on duty with unlimited decision-making powers to repair defects;
- (g) provision of cables and splitters needed to operate the equipment;
- (h) provision of additional equipment, depending on the location;
- (i) supply, as necessary, of the electricity required for the operation of the equipment from a generator set;
- (j) provision of professional advice on the spot, as necessary for the operation of the equipment, and intermediation of specialists;
- (k) in addition to the professional advice regulated in point (j), the Agent shall, on request, provide the Principal with professional guidance to the extent necessary for the operation of the equipment;
- (l) provision of consumables needed for the operation of the equipment on the basis of separate remuneration.

**4. Grip services of SPARKS:**

- (a) provision of professional assistance in the selection of the equipment necessary for the implementation of the project designated by the CLIENT;
- (b) making available the equipment selected by the CLIENT during the term of the contract;
- (c) preparation of equipment according to production needs;
- (d) transport of equipment to the location and its safety inspection under a separate agreement;
- (e) continuous liaison in connection with the equipment to meet the maintenance needs that may arise; in this respect, provision of 24-hour telephone duty service: a person available on a telephone number provided will assist the Principal in the performance of its duties 24 hours a day if any questions, problems or comments arose in connection with the lighting equipment;
- (f) ensuring the smooth and continuous operation of the equipment, repairing defects arising during intended use, if necessary, by making available replacement



equipment. The defective equipment may be examined, repaired or possibly replaced either on the spot or at the registered office of SPARKS. The Agent shall provide an opportunity to test the repaired equipment at its registered office. SPARKS shall provide a person on duty with unlimited decision-making powers to repair defects;

- (g) provision of the maintenance needed to operate the equipment;
- (h) provision of additional equipment, depending on the location;
- (i) supply, as necessary, of the electricity required for the operation of the equipment from a generator set;
- (j) provision of professional advice on the spot, as necessary for the operation of the equipment, and intermediation of specialists;
- (k) in addition to the professional advice provided in point (j), the Agent shall, on request, provide the Principal with professional guidance to the extent necessary for the operation of the equipment;
- (l) provision of consumables needed for the operation of the equipment on the basis of separate remuneration.

**General provisions applicable to service agreement:**

- 5 The Parties agree to set out the equipment handed over and the committed equipment in Annex A and Annex A/1 to the contract, respectively.
- 6 The Parties agree that if, during the implementation of the Project, the CLIENT needed additional equipment, which is not listed in Annexes A and A/1, SPARKS shall meet it as far as possible from its available equipment. The Contracting Parties establish that they shall regard the provisions of the contract as governing the services, rights and obligations provided in respect of the equipment so requested by the CLIENT. The Parties agree to set out the equipment requested and the service fee set for it in the Additional Annex to be attached the contract.
- 7. The Parties establish that, according to the pre-arranged duty roster, the contact persons for the services are available on the below listed phone numbers:

+36-30-141-0000 or  
+36-1-422-07-87

Extension 1: Client referents  
Extension 2: Camera and Video Warehouse  
Extension 3: Lighting and Grip Warehouse  
Extension 4: Trucks and Generators

- 8 . SPARKS declares that it is entitled to provide the services under the service agreement.
- 9. SPARKS shall provide the CLIENT with services for the equipment, which will use them exclusively for its Project communicated to SPARKS for its shooting work in the area



specified in the contract. The total value of the equipment, broken down by device, is stated in Annexes A and A/1. The CLIENT acknowledges that it may not use the equipment used for the services during the term of the contract for any purpose other than shooting for the purposes of the Project and related activities (such as testing, title making, making additional scenes, replaying recordings and preparing trailers).

10. SPARKS shall hand over the equipment used for the services during the term of this contract to the CLIENT at the registered office of SPARKS at a pre-agreed date. The CLIENT shall be entitled to transfer the use of the equipment used for the services included in the contract to the members of the staff involved in the preparation of the Project, but acknowledges that it is responsible for their conduct as their own. SPARKS declares that the equipment handed over is suitable for normal use at the time of handover. The CLIENT shall be entitled to verify the usability of the equipment upon handover. The CLIENT acknowledges that if it fails to inspect the equipment, it acknowledges its suitability for use upon receipt.
11. SPARKS informs the CLIENT of the way in which the equipment is operated at the same time as the handover of the equipment if the CLIENT so requests. The CLIENT acknowledges that during the legal relationship the CLIENT shall be responsible for giving competent instructions in relation to the receipt, use and placement of the equipment and shall be liable for any damages arising from giving incompetent instructions. The CLIENT shall also entrust qualified experts with both the receipt and use of the equipment.
12. The CLIENT shall operate the equipment used during the term of this contract by a qualified technician in accordance with the prescribed laws, other legislation, guidelines, professional and practical regulations, and/or instructions and manuals. The CLIENT shall be responsible for hiring the technician (or the person providing the technician)
13. If the CLIENT uses all or part of the committed equipment specified in Annex A/1, it shall pay an additional fee over and above the service fee, depending on the duration of the actual use.
14. The Parties agree that the costs of consumables and spent light bulbs necessary for the operation of the equipment do not form part of the service fee, and the CLIENT shall pay their costs over and above the service fee.
15. The CLIENT shall use the equipment as intended and contractually. The CLIENT shall be liable for any damages resulting from use contrary to intended purpose or the contract. If the fault of the CLIENT results in damage to the equipment or the CLIENT causes other damage to SPARKS in connection with this contract (e.g. an unpaid service fee, which includes an service fee not paid during the service period specified in this contract, as well as the service fees due to SPARKS after the service period specified in this contract, which SPARKS forfeits due to the conduct in breach of the CLIENT or use of the equipment contrary to its intended purpose), the CLIENT shall pay such damages against the invoice of SPARKS as indemnification. SPARKS informs the CLIENT that in the event of irreparable damage to the equipment, SPARKS will only be compensated by the purchase of new equipment; with regard to this, the indemnity obligation of the CLIENT shall be up to the acquisition value of the new equipment and other costs incurred by replacement. The CLIENT acknowledges that the defective equipment will not become the property of the CLIENT even if new replacement equipment is procured and the relevant invoice is paid.
16. SPARKS stipulates that the CLIENT:





- (a) may not transfer the use of the equipment used for the provision of services to a third party, may not pledge it or otherwise dispose of it, and may not cede the possession and use of the equipment to persons other than the CLIENT and persons under the direction and control of the CLIENT and a third party or third parties authorised by SPARKS either for the purposes of use, inspection or evaluation;
  - (b) may operate it exclusively in the area specified in the contract;
  - (c) may not convert it (cause it to be converted) or repair it (cause it to be repaired) without the permission of SPARKS;
  - (d) may not make any modifications to the equipment or may not disassemble the equipment beyond what is necessary for the performance of cleaning and maintenance tasks;
  - (e) the Principal shall be liable for any damage to the equipment that occurs because the Principal has connected devices other than the ones provided for the equipment.
17. If a repair is required, it shall notify SPARKS immediately in writing, which will carry out the repair (will have it carried out) as part of the services under the service agreement. The costs of the repair shall be borne by the CLIENT if the repair was made due to the use of the machine contrary to the contract or its intended purpose.
18. If any of the equipment covered by the contract are irreparably damaged during the period in which it is in the possession or under the control of the CLIENT, such equipment shall nevertheless be returned to the Agent. If any of the equipment covered by the contract is lost, stolen or otherwise disappears during the period in which it is in the possession or under the control of the CLIENT and is subsequently found, it shall be returned to SPARKS without delay.
19. The CLIENT acknowledges that SPARKS or the third party (parties) authorised by it:
- (a) is (are) entitled to inspect the equipment, to take inventory of it and to monitor its use at its own expense; however, such inspection may not affect the implementation of the Projects carried out by the CLIENT. The CLIENT agrees to provide SPARKS with the location of each item of equipment upon request;
  - (b) may require the termination of use contrary to intended purpose or the contract and compensation for any damages sustained by it due to such use;
  - (c) may, if such use continues or if requiring the cessation of such misuse were not effective due to the severity of imminent danger to the equipment covered by the contract, terminate the contract with immediate effect, may remove the equipment under the contract from the shooting location and may claim compensation for damages.
20. The CLIENT acknowledges that it shall ensure the use of names, so it shall indicate the Agent on the posters of the Film and on the main title at the end of the Film in accordance with the subject-matter of agency, e.g. 'Camera, lamp and grip equipment: SPARKS Kft.' The CLIENT undertakes to display the logo made available by SPARKS at the end of the completed Film, at the end of the credits roll, on the posters of the Film and on the professional websites. The CLIENT acknowledges that if it violates this provision, it shall pay SPARKS a penalty corresponding to 10% of the service fee.



21. The CLIENT shall hand over the equipment covered by the contract to SPARKS at its registered office at the end of the service period.

**IV. PROVISIONS APPLICABLE TO THE LEASE OF LIGHTING AND GRIP EQUIPMENT AND SERVICE AGREEMENTS RELATED TO THEM:**

1. The CLIENT shall operate the lighting and grip equipment used during the term of the contract by a qualified technician in accordance with the prescribed laws, other legislation, guidelines, professional and practical regulations, and/or instructions and manuals. The CLIENT shall be responsible for hiring the technician (or the person providing the technician).
2. SPARKS informs the CLIENT that it has performed the contact protection inspection of the equipment handed over as specified in Decree No 10/2016 of 5 April 2016 of the Minister for the National Economy. SPARKS informs the CLIENT that the operation of the circuit breakers have to be tested monthly (and it is advisable to do so for all new work areas). Pursuant to Decree No 12/2000 of 15 June 2000 of the Minister for National Cultural Heritage, the CLIENT shall check the effectiveness of contact protection at the external location every day, before starting work.

**V. PROVISIONS APPLICABLE TO THE LEASE OF CAMERA EQUIPMENT AND SERVICE AGREEMENTS RELATED TO THEM:**

1. SPARKS shall provide a test facility for the equipment used for the services at its registered office prior to the conclusion of the contract and the handover of the equipment.
2. If the equipment received by the CLIENT is analogue/digital equipment, the CLIENT acknowledges and accepts that certain digital imaging systems, including 'rotating disk' systems and similar technologies, as well as the data recording and storage devices used in connection with them (collectively the 'systems') may fail even during normal use, and this may affect the integrity or retrievability of recordings and related data (collectively the 'data'). The performance of such systems and the proper recording of data can only be optimised if all technicians experienced in the application of the given systems review them in time, at the time of recording, although perfect operation cannot be guaranteed or its continuity or freedom from errors cannot be ensured even then. SPARKS expressly recommends the use of such experienced technicians for data protection purposes, with the additional proviso that the CLIENT acknowledges that any advice, guidance or information provided by SPARKS for such systems or any other equipment is not deemed a legal declaration made or implied warranty assumed by SPARKS with respect to these provisions. If any of the equipment, including the above-mentioned systems, still contain visual or audiovisual content or data at the time of being returned to SPARKS, the CLIENT expressly acknowledges that SPARKS will immediately delete any and all such content or data from the systems upon the expiry of the service period related to the systems and equipment in its ordinary course of business in order to maintain and prepare it for its further business activities. SPARKS shall have no obligation or liability for taking or failing to take any action in relation to the content or data concerned, including, but not limited to, maintaining or preserving such content, related confidentiality or returning such content. Accordingly, the CLIENT agrees to back up all its data as soon as possible during shooting,



and the CLIENT shall be solely responsible for the protection and backup of the data. The CLIENT acknowledges that any loss attributable to defective equipment or the failure of the equipment, always including the above-mentioned systems, may far exceed the amount of the service/lease fee under the contract and SPARKS cannot be held commercially liable for such losses (e.g. for poorly focused shots, scratched films, incorrectly exposed negatives, or data damage or loss). The CLIENT further acknowledges that SPARKS has no obligation or liability for any indirect, direct, consequential or other losses or damages, including that SPARKS has no obligation or liability for the re-creation of all or any part of any image, original graphic work or design. SPARKS expressly excludes its liability for the payment of the costs of additional shooting or overtime in such a case.

3. The CLIENT acknowledges that the loss incurred by it due to a faulty or malfunctioning piece of equipment may far exceed the amount of the contracted services and, therefore, it is not economically viable for SPARKS to assume liability for such a loss (e.g. blurred shots, scratched film, poorly exposed negative). With this in mind, SPARKS makes no representations or assumes no warranties, express or implied, with respect to the equipment, including, without limitation, its suitability, design, condition, repair, saleability, operation, performance or malfunction, or its material or workmanship. The CLIENT expressly declares that SPARKS shall not be liable for any indirect, incidental, consequential or exceptional damages arising to the equipment, including, without limitation, its suitability, design, condition, repair, saleability, operation, performance or malfunction, or its material or workmanship.

## **VI. USE OF LORRIES AND/OR GENERATOR SETS**

If SPARKS also makes a motor vehicle and/or generator set available to its CLIENT during the provision of its services, the terms of use are determined by the Parties as follows:

1. During the period specified in the contract, SPARKS will transfer the use of the motor vehicle set out in the Annex. The CLIENT shall put the motor vehicle to use exclusively for the shooting work of the Project specified in the contract.
2. SPARKS declares that during the term of the contract the motor vehicle is technically suitable for its intended use and that no third party has any rights or claims in relation to the motor vehicle which would prevent, restrict or exclude such use.
3. The CLIENT declares that it has tried out the motor vehicle, and it has been informed in detail about its complete technical characteristics and operation by SPARKS. The CLIENT shall use, operate and protect the motor vehicle with due care in accordance with the relevant user's and operating manual. It shall have full financial liability for any damage resulting from non-compliance with the above. The CLIENT shall handle the documents handed over to it carefully and shall protect them from damage. The CLIENT expressly declares that it has become familiar with the permissible total weight and maximum axle load of the motor vehicle stated in the vehicle registration document.
4. The CLIENT shall be entitled to transfer the use of the motor vehicle to the members of the staff involved in the preparation of the Project, but acknowledges that it is responsible for the conduct of the third party using it as its own. SPARKS informs the CLIENT that the vehicle may be driven without a driving licence only by a person who uses the equipment transported by the vehicle for his work and that the transport is not his primary task at the



company of the CLIENT. The person engaged by the company of the CLIENT to drive the vehicle shall also keep both the employment contract and the contract or its extract on himself during the use of the vehicle. The CLIENT acknowledges that if a generator set is handed over, the person with the professional qualifications required for its operation is not provided by SPARKS, and the CLIENT shall ensure the employment of such person.

5. In respect of the motor vehicle, it is expressly prohibited, in particular:
  - to rent or lend it to someone else;
  - to use it if the coolant or lubricating oil leaks or if prohibition signals are displayed on its control instruments;
  - to drive it under the influence of alcohol, medicines or drugs or to let a person under such influence to drive it;
  - to take the motor vehicle abroad without the prior written permission of Sparks Kft.
6. The CLIENT acknowledges that day-to-day care and inspection are the responsibility of the CLIENT, and all other repairs and technical rescue are the responsibility of SPARKS. In the event of a technical failure, the CLIENT may only carry out repairs with the prior consent of SPARKS.
7. The CLIENT acknowledges that it shall notify SPARKS of all extraordinary events and agrees to notify SPARKS first in the event of a break-in of, damage to or theft of the motor vehicle and to act in accordance with the information received at that time. In the event of an accident, the CLIENT shall also act with due care, shall use its best efforts to clarify the matter, shall obtain all possible details of those involved in the damage event (e.g. registration number of the other vehicle, owner/driver's name and address, witnesses' names and addresses, site plan and possibly photos).
8. SPARKS shall in no way be responsible for the objects or valuables placed by the CLIENT in the vehicle or for any damage to or loss of them. SPARKS shall not be liable either for damages sustained by the CLIENT as a result of a vehicle failure.
9. SPARKS declares that it is responsible for paying the weight tax and compulsory liability insurance of the vehicle at all times.
10. The CLIENT shall assume full liability for the violations committed with the vehicles during their use (speeding, overloading of the vehicle, irregular parking, other violations, etc.) and acknowledges that their costs shall be borne by it. The CLIENT also consents to SPARKS disclosing its details to the authorities acting in connection with police and other minor offence or criminal proceedings.
11. The CLIENT acknowledges that the unpaid fees imposed for the period of use (parking fee, toll) and their amounts increased by surcharges, default interest and other costs shall be borne solely by it. The CLIENT consents to SPARKS disclosing its details to parking companies, road management agencies and other bodies. If, as a result of the legal regulations, the surcharge, fine, default interest, etc. were charged directly to the operator registered in the registration documents of the vehicle, the CLIENT shall pay the fine to SPARKS within 3 working days of receiving the relevant notice from SPARKS. The Contracting Parties establish that in the case set out in this section SPARKS is not obliged to provide counterevidence or object to the fine.
12. The CLIENT shall refuel the motor vehicles with fuel of the required quality and it is advised to keep the receipt/invoice received for refuelling for 30 days after the return of the motor



vehicles. The cost of any failure due to improper refuelling (mixing up fuels, repair, etc.) shall be reimbursed by the CLIENT. The Contracting Parties further agree that the CLIENT shall provide the fuel and motorway vignettes necessary for its operation at its own expense. The HUGO fee shall be settled subsequently, the cost of which shall also be borne by the CLIENT.

13. The CLIENT shall return the motor vehicles at the registered office of SPARKS upon the expiry of the contract in the same condition as at the time of receipt.
14. After the expiry of the contract, if the CLIENT does not return the vehicles without due reason, SPARKS shall be entitled to take them back from the CLIENT (even using the necessary means of self-power) or to have them removed at the expense of the CLIENT.

## VII. INSURANCE:

1. The Contracting Parties establish that the CLIENT shall take out insurance in accordance with the information provided by SPARKS prior to the handover of the equipment and shall maintain it for the entire duration of the contract. The CLIENT shall insure the equipment received at the value indicated by SPARKS; in this respect, the CLIENT expressly acknowledges that the indicated values are the acquisition values of the equipment in new condition, taking into account that, in case of irreparable damage to the equipment, the damages sustained by SPARKS shall be compensated for only through the procurement of new equipment.
2. The CLIENT acknowledges that it may take possession or use the equipment used for the services during the term of this contract only if it has entered into a comprehensive insurance contract for the total value of the equipment set forth in Annex A as insurance value, the beneficiary of which is SPARKS Kft. (1142 Budapest, Szónyi út 30.-34. [Hungary], company register No: 01-09-166967, tax No: 10762879-2-42) and it hands over such insurance policy to SPARKS. The CLIENT shall maintain the insurance during the term of the contract.
3. The CLIENT may not use or authorise the use of the equipment used during the term of this contract for a purpose or by a person that is not authorised by the terms and conditions set out in the insurance policy (regardless of who prescribed them), and the CLIENT may not perform or authorise any activity that would invalidate the insurance. The CLIENT expressly acknowledges that it shall indemnify SPARKS against all damages or liability, regardless of their nature or place of origin, which cannot be reimbursed under the insurance policy, and it shall therefore pay the indemnification invoice of SPARKS if the insurer refuses to pay for any reason.
4. According to the preliminary information provided by SPARKS, in some cases the insurance shall meet the following conditions:

### (a) Insurance of equipment/assets:

This insurance cover shall be obtained from a reputable insurance company, and the insurance cover shall cover 'all risks', including flood and earthquake risk. The limit of the insurance cover may not be less than the insured value set out in Annex A to the contract, plus GBP 250,000. The valuation of pecuniary losses and damages shall be equal to the cost of repair or procurement of new equipment as a replacement without deductions and depreciation. The name(s) of any third party or parties designated by SPARKS shall be indicated as additional insured parties and



beneficiaries of the insurance.

**(b) General commercial liability insurance:**

This insurance cover shall be obtained from a reputable insurance company with the indication of a minimum limit of GBP 1,000,000 per damage event and a combined limit of GBP 5,000,000 in the policy. The limits may be met in combination with framework insurance or supplementary liability insurance. These insurance policies shall include the following:

- general added clause to the contract;
- proof that the required cover and limits are primary and not ancillary to any insurance taken out by SPARKS or the third party or parties designated by it for the purposes of its (their) own activities;
- the indication of the name(s) of SPARKS or the third party or parties designated by it, its (their) affiliates and their officers, directors, employees and representatives as additional beneficiaries of the insurance;
- declaration of waiver on the transfer of rights in favour of SPARKS or the third party or parties designated by it.

**(c) Employee indemnification insurance:**

The CLIENT shall take out statutory employee compensation insurance for its own employees, including employee liability insurance, up to a limit of at least USD 1,000,000 for personal injuries of an accidental nature (per accident), up to a limit of USD 1,000,000 for personal injuries caused by illness (policy limit), and up to a limit of USD 1,000,000 for personal injuries caused by illness (per employee). If the regulations in force allow, a declaration of waiver on the transfer of rights shall be issued in favour of SPARKS or the third party or parties designated by it.

**(d) Motor vehicle liability insurance:**

If warranted, the CLIENT shall take out motor vehicle liability insurance for the purpose of its business activities for its own, third party-owned and leased motor vehicles used in connection with the performance of the agreement, with a total limit of at least GBP 1,000,000. The name(s) of SPARKS or the third party or parties designated by it, its (their) subsidiaries and their officers, directors, employees and representatives shall be indicated as additional beneficiaries.

**(e) Aviation liability insurance:**

If warranted (if the equipment is transported by air), the CLIENT shall take out aviation liability insurance with a limit of at least GBP 5,000,000. The name(s) of SPARKS or the third party or parties designated by it, its (their) subsidiaries and their officers, directors, employees and representatives shall be indicated as additional beneficiaries.

**(f) Proof of insurance:**

Prior to the commencement of any service under this contract, the CLIENT shall hand over SPARKS or the third party or parties designated by it certificates proving the insurance taken out in a form accepted by SPARKS or the third party or parties designated by it. SPARKS or the third party or parties designated by it reserve(s) the right to claim the handover of certified copies of the insurance policies to it (them). The provision of services may not commence until appropriate proof of such insurance has been submitted. Each certificate shall bear the requirements relating to the insurance policy applied.

These requirements include, but are not limited to, the following:

- general added clause to the contract;
- indication of the name(s) of SPARKS or the third party or parties designated by it, its



(their) subsidiaries and their officers, directors, employees and representatives as additional beneficiaries;

- issuance of a declaration of waiver on the transfer of rights in favour of SPARKS or the third party or parties designated by it;
- addition of SPARKS or the third party or parties designated by it as beneficiaries of the insurance;
- declaration to prove that the insurance cover is primary and not ancillary.

#### VIII. USE OF NAME:

Based on preliminary information provided by SPARKS, the CLIENT shall provide for the use of names as follows:

1. **On films:** Subject to the stipulation that if the shooting in the implementation of the Project was primarily carried out using cameras and/or lenses owned by SPARKS and/or a third party or parties designated by it, the CUSTOMER agrees to indicate the name(s) of SPARKS and/or the third party or parties designated by it on all positive copies made for the purpose of the Project (as defined below in this paragraph). The indication of the name(s) of SPARKS and/or the third party or parties designated by it may not be less favourable in size, height, width and visibility than those of any other technical supplier (including, without limitation, the names of suppliers of colour technology, sound, laboratory work and equipment, and with the exception of the suppliers of visual effects only, e.g. Industrial Light and Magic). For the purposes of this paragraph, a 'positive copy' means any format, mode and data carrier in which the Project is placed on the market, presented, distributed or otherwise used, including, without limitation, materials recorded on negative film material and any digital data carrier.
2. **Obligations related to the credit of third parties:** The CLIENT agrees to seek, with reasonable good faith, to oblige third parties participating in the Project to ensure that the third party distributors of the Project comply with the obligations of SPARKS and/or the third party or parties designated by it and the CLIENT related to the credit resulting from the contract in relation to the credit; with the proviso, however, that, to the extent that the CLIENT has acted in good faith as may be expected of it, the fact that such third parties do not comply with the requirements relating to the above-mentioned credit shall not be regarded as a breach of contract. If the CLIENT fails to comply with the credit provisions set out in this section on a case-by-case or random basis, such failure shall not embody the concept of a serious breach of contract in relation to the performance of the contract; however, at the written request of SPARKS and/or a third party or parties designated by it, in which SPARKS and/or the third party or parties designated by it determine(s) the failure to harmonise the credit requirements of SPARKS and/or the third party or parties designated by it, the CLIENT shall, acting in good faith, consider the possibility of remedying such failure in the future by harmonising the credit of SPARKS and/or the third party or parties designated by it with positive copies and with any advertising that the Project has established from the date on which the CLIENT received such notice.
3. The CLIENT acknowledges that, following a written request from SPARKS and/or a third party or parties designated by it, SPARKS and/or the third party or parties designated by it will exercise(s) the rights of SPARKS during the term of this agreement, the CLIENT shall pay



Sparks and/or the third party or parties designated by it all amounts payable by the CLIENT during the term of the contract and shall, in all other respects, consider SPARKS and/or the third party or parties designated by it to be an agent(s) under this contract.

4. The CLIENT further acknowledges that the Service Agreement and any of its provisions may not be construed in any way that would transfer any right associated with the equipment under the contract, the trademarks, trade names and/or patents of SPARKS and/or a third party or parties designated by it to the CLIENT (except for a temporary service interest). SPARKS and/or the third party or parties designated by it may indicate the ownership of SPARKS and/or the third party or parties designated by it on the nameplate of its equipment, and the CLIENT shall not be entitled to remove such markings.

The CLIENT declares that it has become familiar with these General Terms of Contract and considers them to be binding upon itself.

Budapest, 8 July 2020