

WMfono GENERAL COMMERCIAL CONDITIONS
Effective from 1 June 2018**§ 1**

1. These General Commercial Conditions (hereafter called "OWH" – in Polish: Ogólne Warunki Handlowe) concerning the provision of production services offered by Wydawnictwo Muzyczne spółka z ograniczoną odpowiedzialnością FONO spółka komandytowa with its seat in Warsaw (hereafter called "WMfono") constitute an integral part of the Agreement concluded by Parties and have been made available to the Purchaser before the Agreement was made to enable the Purchaser to read, store and refer to these Conditions throughout normal business operations, and they are binding for both Parties under art. 384 of the Polish Civil Code.

2. The OWH determines the principles and course of action when executing the cooperation agreement or subsequent order fulfilment. In case of a discrepancy between OWH provisions and other provisions agreed upon by the Parties, the Purchaser's agreement shall be governed by the OWH, unless the Parties have explicitly excluded specific OWH provisions in writing.

"The rules for preparing materials for printing and manufacture" (hereafter called the "PP&M"), constituting PP&M V.1.1 to the OWH, are an integral part of the OWH. Accepting the OWH is equivalent to accepting the provisions of the PP&M.

§2 ORDER PLACEMENT AND FULFILLMENT

1. WMfono undertakes to carry out the production of items specified in the order or the cooperation agreement, hereafter called the "Products", and the Purchaser undertakes to collect the Products in good time and pay the price applicable on the day of placing the order, which was specified in the order or cooperation agreement while considering the provisions of section 2 below.

2. A detailed specification of the subject of the order will be provided each time by the Purchaser and it will include the data specified in the order form available at www.wmfono.com website. The Purchaser is required to familiarize himself with the PP&M and to prepare the materials for printing in accordance with the parameters specified in the PP&M.

3. The Parties agree that the first order will be made in writing, with the Purchaser's signature on the order form, and sent to WMfono via e-mail or fax to the address or the number indicated by WMfono. All subsequent orders of the same Purchaser may be placed via e-mail or phone and will be confirmed by a WMfono sales assistant via e-mail.

4. In the order, the Purchaser shall indicate the print run size or number of the ordered Products as well as the specification, which will be used by WMfono to estimate the price. Due to the nature of the production process of optical data carriers, the run size may be larger than the one specified in the order.

0 > 500 tolerance +/- 50 pcs

501 > 1000 tolerance +/- 40 pcs

1001 > 5000 tolerance +/- 6%

5001 > 10000 tolerance +/- 300 pcs

10001 > 20000 tolerance +/- 400 pcs

20001 > tolerance +/- 500 pcs

For this reason, the Purchaser is obliged to collect the production surplus and make a payment to WMfono accordingly.

5. The order may include additional services (hereafter called "Additional Services") provided by WMfono, particularly services such as authoring or packaging. In that case, the OWH provisions shall respectively apply unless the OWH specifically regulates the provision of Additional Services. All Additional Services are subject to additional costs which can be found

listed in the Additional Services Pricelist (hereafter called ASP), and will be found online under at www.wmfono.com.

The deliveries of the Products are carried out based on the order placed by the Purchaser not later than seven (7) working days before the planned delivery date proposed by the Purchaser in the order whereas the production of the ordered Products will take place not earlier than seven (7) working days from:

a) WMfono's receipt of a complete order. If the order or materials indispensable for its fulfilment were delivered by the Purchaser on a non-working day or on a working day after 3:00 p.m., it is assumed that the delivery took place on the first working day after that day. Non-working days within the meaning of the OWH are: Saturdays, Sundays and Polish public holidays. Other days are deemed working days.

b) WMfono's receipt of approved Materials that are consistent with WMfono's technical specifications and - if authoring or audio checks are to be performed by WMfono under the same order - from the date of the acceptance of WMfono's services.

c) approval of the whole graphic layout by the Purchaser.

d) approval of the Proof by the Purchaser.

If some of the events referred to in subsections a – occur together, the deadline for the delivery of the Products will be counted from the last occurring event. A change of the deadline for the delivery specified in the order is possible only with WMfono's consent. The deadlines for the fulfilment of orders may be regulated differently under a cooperation agreement.

7. WMfono shall inform the Purchaser about the refusal to accept an order not later than five (5) working days after receiving that order. The refusal can be communicated to the Purchaser in writing, via fax, e-mail or phone. If WMfono does not inform the Purchaser about the refusal within that period, the order shall be deemed accepted. The only exception to the above will hold when the delivered materials turn out to be of an illegal nature, such materials will be withdrawn at any time during the production process, if any costs were incurred by the Purchaser.

8. The order fulfilment dates may be changed if WMfono is not able to carry out the production or Additional Services for reasons beyond its control, in particular when the Purchaser submits incorrectly prepared materials or there is a delay in the delivery of these materials, the materials handed over to the Purchaser were not approved within the specified period, in the event of delivery of additional materials that affect the scope of service provision by WMfono, due to a third party's failure to deliver raw materials, as well as due to a Force Majeure. In this case, WMfono will specify a new order fulfilment date.

9. The Purchaser is obliged to accept the materials submitted by WMfono within 24 hours, in particular in the course of performing an authoring service or a testpressing service. The reservations of the Purchaser will be taken into consideration by WMfono as long as they are justified and based on the agreement of the Parties and the type of provided services. If the order cannot be fulfilled by WMfono due to the lack of cooperation from the Purchaser, particularly if the Purchaser does not approve the materials delivered by WMfono for a period longer than seven (7) working days when an authoring service or testpressing service is being performed, or if the Purchaser does not approve the authoring or testpressing services performed by WMfono without reasonable justification, then WMfono has the right to refuse the fulfilment of the order and request payment of the agreed remuneration or move the delivery date to the next available slot.

10. The Parties agree that the "testpress" is an operation performed by WMfono in order to assess the sound, cuts and arrangement of the vinyl record.

11. The production of the gramophone record label involves

a drying processes that can affect its final appearance and characteristics, resulting e.g., in subtle fading and discoloration both of which are a natural effect of the production process.

12. If the Purchaser delivers materials that require changes, improvements or adaptation to ensure the correctness of the production process, or if the Purchaser's actions will make it necessary to introduce changes in the delivered materials, the Purchaser will be charged with the cost of such changes calculated acc. to the hour rate indicated by WMfono.

§3 PRICE LIST

WMfono published a General Price List for the rendered services (hereafter called "OPC", in Polish: Ogólny Publikowany Cennik) which is available on the www.wmfono.com website. The OPC contains base prices for services provided by WMfono, including storage, authoring and delivery.

WMfono may present the Purchaser with an offer for rendering services along with a customized price list based on that specific offer, hereafter called "Custom Offer Price List". The Custom Offer Price List includes prices for specific services that WMfono will render for the Purchaser and it is applicable for the Parties if the Purchaser approves the offer. If the Purchaser orders services that were not included in the Custom Offer Price List, the OPC is then applicable to both Parties.

§4 DELIVERY

1. The Purchaser undertakes to collect the Products in good time, including partial deliveries.

2. WMfono undertakes to hand over the Products at the time specified in the order. WMfono reserves the right to postpone the delivery time for reasons beyond its control, and this will not constitute any basis for cancelling the order by the Purchaser or pursuing compensation. WMfono will not start the production until the Ordering party has approved all the files containing the respective graphic layout. Such approval shall consider all slight, minor differences in colours resulting from the technical parameters of the monitors used to view files. All the elements of the graphic layout must be presented to WMfono in an electronic form and in an appropriate format while also conforming to the specification requirements.

3. If the Purchaser cancels the order or the cooperation agreement after WMfono has started (but not completed) the production, WMfono is entitled to receive the agreed remuneration from the Purchaser. The Purchaser cannot cancel the order in any form (in particular by withdrawing from the agreement and/or giving a notice) and unreasonably refuse the acceptance of the subject of the order or cooperation agreement after the production has been completed.

4. The responsibility for the loss or damage to the Products passes onto the Purchaser at the time when the Products are loaded on the means of transport. The responsibility to provide transport insurance for the Products is borne by the Purchaser unless otherwise stipulated in the order or cooperation agreement.

5. The order or cooperation agreement is deemed executed by WMfono at the time when the Purchaser's Products have been loaded on the means of transport.

6. If the Purchaser does not collect the Products on time, he shall pay WMfono for every month (or part thereof) of storage in accordance with the applicable OPC for every stored pallet and is also obliged to collect the Products at his own cost. Moreover, WMfono has the right to demand the payment of the price for the Products included in the order even if the Purchaser has not collected them. After 30 days from the agreed date for collecting the Products, WMfono has the right to destroy the Products at the Purchaser's cost and risk while keeping the right to receive remuneration and fees for the storage of Products.

7. At the time of delivery of the Products, the Purchaser is obliged to return the pallets to WMfono or provide other pallets of the same type characterised by the same degree of tear and wear. If the Purchaser does not give the pallets back, he shall pay a contractual penalty amounting to 36.00 PLN (say: thirty six

PLN) per each missing pallet.

§5 MATERIALS USED FOR PRODUCTION, INTANGIBLE PROPERTY RIGHTS

1. The Purchaser is responsible for the delivery of materials indispensable to the provision of the Products or other services (Materials) to WMfono's address, in particular the Materials listed in the order, prepared strictly according to WMfono's technical specifications available on the www.wmfono.com website, in the PP&M, or communicated to the Purchaser in other way. The Purchaser acknowledges and accepts that small differences in relation to the source materials may occur in the standard printing process. For works that require keeping the colours consistent with the approved proof, will be printed one by one according to the individual quotation. If the Purchaser does not communicate the need of individual printing, the combined printing is then used and the differences in colours in relation to the source materials cannot be any basis for a complaint.

2. If the Purchaser delivers self-prepared components, including printed materials or packaging's, he is obliged to deliver those components in the amount exceeding of the run size under a given order by 3% for printing components and 2% for packaging's.

3. WMfono reserves the right to perform colour modifications in the graphic input materials if the material does not accommodate the technological restrictions of a specific printing technology. All corrections of the works made by WMfono are sent to the Purchaser for approval. In such a case, the production completion time is counted from the time of receiving the approval from the Purchaser. If the performed corrections are considerable, i.e. they require more than one hour of WMfono's involvement, then the Purchaser will be charged for making those corrections in accordance with the OPC.

Due to the technological differences between the way most monitors display colours and the printing technology, the comparison of printout colours with the colours seen on the monitor is technologically incorrect. Therefore, the lack of conformity of printout colours with the screen image cannot be a ground for complaints regarding colours or any other claims against WMfono. The Purchaser can order a "Proof" service at WMfono (charged in accordance with the OPC), which involves a test colour printout. A printout incompatible with the colours obtained in the test printing copy (Proof) constitutes a basis for any future complaint.

4. Materials delivered by the Purchaser that were not used in the production process will be destroyed after fulfilment of the order or cooperation agreement, unless the Purchaser decides otherwise by sending an appropriate written information to WMfono prior to starting the production.

5. The Purchaser declares that:

a) the materials handed over to WMfono have neither legal nor physical flaws,

b) he holds ownership rights with respect to the handed over Material copies,

c) he has all the rights required to legally execute the order or cooperation agreement, in particular the proprietary copyrights to record, multiply, put into circulation or publish the intangible goods (including works, artistic performances, phonograms, computer programs) included in the Materials handed over to WMfono based on the order or the cooperation agreement,

d) performance and fulfilment of the order or cooperation agreement by WMfono does not infringe any rights of third parties, particularly copyrights and neighbouring rights.

e) WMfono is not obliged to bear any costs associated with the use of intellectual property rights to the Materials handed over by the Purchaser to execute the order or cooperation agreement.

6. The Purchaser is fully liable for the declaration made in p. 5 of this section.

7. If WMfono suspects a possible infringement of rights or

a third party has pursued a claim on the basis that its rights have infringed, including intellectual property rights regarding the execution of the order or cooperation agreement, the Purchaser is obliged to settle that matter promptly and bear all costs associated with those third party claims and cover the losses incurred by WMfono.

8. The Purchaser is obliged to pay WMfono a contractual penalty for making false declarations or breaching other provisions of this section in the amount of the total gross value of the order or cooperation agreement. WMfono has the right to demand a compensation exceeding the amount of the contractual penalty under general provisions of the law.

9. If, in relation to any WMfono Product, it is reported by a national or trade organisation acting in the field of the protection of intangible property rights that the Purchaser infringes the rights of a third party, then WMfono may suspend its obligation regarding the production and delivery of the questioned Products for the time needed to investigate the matter and in such instances WMfono will be not liable for such actions or nonfeasance.

10. The Purchaser agrees for the destruction of the manufactured Products if/when WMfono receives information from an organisation dealing with protection of intangible property rights that the Purchaser does not hold all the rights to use the subjects of intangible property rights in the extent allowing for legal execution of the order or cooperation agreement..

11. The Purchaser agrees that WMfono may disclose the information contained in the order or cooperation agreement to third parties if the obligation to do so results from law regulations, especially when obligated by organisations dealing with the protection of copyrights.

12. WMfono reserves the right to reject the Purchaser's Materials if in the course of visual inspection of these materials WMfono found that they contain e.g., images of illegal pornography, are racially offensive, include fascist contents, incite to crime or have illegal copying codes, illegal product additions and illegal compilations. WMfono also reserves the right to disclose information about the existence of such Materials and their source to the police and trade supervision bodies as well as the rightful owners of subject Materials at any time and without notifying the Purchaser of the fact.

In all such cases, the Purchaser acknowledges that the normally applicable confidentiality obligation between the Purchaser and WMfono concerning the delivered Material is waived and WMfono will not be liable neither for disclosing such information nor for any losses, compensations or costs which the Purchaser may incur as a result.

WMfono requires that the delivered original materials containing sound material must be accompanied with a valid MCPS licence (or an equivalent), and original materials containing video images – a BBFC certificate and/or other certificate required in the territory of a given country with reference to computer games or their content. In this case (in particular when WMfono rejects the Purchaser's Materials or refuses to replicate them), the Purchaser is obliged to remedy the damage suffered by WMfono.

13. Apart from the cases specified in p. 6, 7, 8, 9, 11 of this section, WMfono is entitled to demand the payment of the full remuneration specified in the order or cooperation agreement, irrespective of other claims available under the applicable law.

14. If the Product has been destroyed or damaged due to its production according to the Purchaser's instructions, WMfono may demand an agreed remuneration or a part thereof for the performed work. The above does not exclude WMfono's possibility to pursue other claims regulated by the law..

§6 DOCUMENTATION, PRODUCT COLLECTION

1. Product collection takes place on the basis of signing for delivery in any form, including the approval of an invoice, dispatch notes or a CMR document – bill of lading. The authored materials or a testpress is accepted by the Purchaser as completed at the time of its approval.

2. The Purchaser's signing of the carrier containing the VIDEO-CD, DVD - VIDEO, VINYL and/or other completed project and sending it to WMfono or an approval made in writing or via email is deemed the acceptance of rendered services by WMfono.

3. The product is delivered to the Purchaser to the address specified by the Purchaser in the order form. If no other address is indicated in the order, the Product shall be delivered to the only known Purchaser's address as specified in the order form. The cost of releasing the Product to the Purchaser or a third entity indicated by the Purchaser, including the cost of transport, shall be borne by the Purchaser. The employees, contractors, carriers or other persons acting on behalf of the Purchaser are entitled to collect the Products. Unreasonable refusal to collect the Products or other services is equivalent to a proper delivery of the Products to the Purchaser.

4. When collecting the Products, the Purchaser is obliged to examine the Products in terms of their quantity, and the following procedure shall be observed:

if the Products are delivered by WMfono's means of transport at or a carrier acting on its behalf, the Purchaser shall check whether the quantity of the delivered Products is consistent with the quantity indicated in the shipping document. This should be performed during unloading of the Products and in the presence of the carrier's representative or WMfono's driver. If any discrepancy is observed, the Purchaser shall draw up a "Discrepancy Report". The Discrepancy Report shall be also signed by the carrier's representative or WMfono's driver. This, however, does not mean neither any approval of the report or its content nor the Purchaser's reservations.

if the Purchaser collects the Product using his own means of transport at, the procedure of the checking the quantity of the delivered Products against the quantity indicated in the shipping document takes place in the presence of a WMfono's representative during loading. If any discrepancy is observed, the Purchaser shall draw up a "Discrepancy Report". The discrepancy report shall be signed also by a WMfono's representative. This does not mean, however, neither any approval of the report or its content nor the Purchaser's reservations.

the Discrepancy Report may be the basis for the Purchaser to submit complaints regarding the improper quantity of the manufactured Products or other claims connected with improper execution of the order. The complaint concerning the quantity of the Products can be submitted only at the time of handing over the Products.

5. The Purchaser is obliged to examine the condition of packaging and report possible reservations at the time of collecting the Products.

The Purchaser is obliged to examine the Products in terms of their quality within seven (7) working days from the date of their collection. If no reservations regarding the quality of the Products are made within that period, the Parties shall deem that the Product is of appropriate quality and after that period the Purchaser cannot effectively submit any claims against WMfono. After that period both Parties exclude the warranty for defects.

The Purchaser agrees that WMfono may issue and send a VAT invoice and other accounting documents to the Purchaser in electronic form via email or other electronic means.

§7 PAYMENTS

1. The due date for the payment of the remuneration to WMfono is counted from the date indicated in the invoice issued by WMfono to the Purchaser, unless otherwise provided in the order form or cooperation agreement.

2. The date of payment shall mean the date on which the payment is credited to WMfono's bank account.

3. The Purchaser cannot make a payment to WMfono through compensation or withholding credits. The Purchaser is not entitled to transfer the rights and obligations resulting from or connected with the order and cooperation agreement for the benefit of any third party without a written consent of WMfono.

4. In case of a delay in payment, the Purchaser shall pay WMfono

contractual interest in the amount of 0.1% of the debt for each day of the delay, but not more than the amount provided under the applicable Polish law regulations.

5. If the Purchaser is in debt to WMfono, then WMfono is entitled to withhold the execution of the Purchaser's orders or the performance of the cooperation agreement.

6. The remuneration of WMfono may be increased if the regulatory liabilities connected with the execution of an order increase after the order has been placed by the Purchaser and accepted by WMfono or the cooperation agreement has been concluded.

7. Prices are VAT exclusive; VAT will be added according to the rate applicable on the date of the issuance of the VAT invoice. If applicable, VAT shall be paid by the Purchaser.

§8 COMPLAINTS

1. Faulty Products shall mean Products without any traces of mechanical damage (scratches and deformations resulting from improper storage and handling) that do not operate correctly in three (3) mass devices of different type designed to play vinyl records, CDs, DVDs, and the parameters of which will be at variance with the Phillips standard for CD, and „DVD Specifications for Read - Only Disc” standard for DVD measured by the Quality Control System devices for DaTARiUS (CS4 system) for DVD and CD. The quality control of the finished Products will be carried out by the representatives of both Parties within five (5) days from the date of the reporting defects by the Purchaser.

2. If the defects found in the Products are also found in the Materials handed over to WMfono or if the defects result from improper preparation of the Materials by the Purchaser, in particular non-compliance with the parameters specified in the PP&M, then the full liability for the occurrence of such defects shall be borne by the Purchaser, and the Purchaser is then obliged to pay the full remuneration to WMfono. WMfono is liable only for the conformity of the Products with the received Materials prepared according to the PP&M.

3. In the complaint, the Purchaser is obliged to present the following information concerning the claimed Product: the quantity of the claimed Products, the defects of the Products,

4. The decision on the course of action regarding the defective Products will be made solely by WMfono. The Purchaser is obliged to deliver, at his own cost and risk, the questioned Products to the place indicated by WMfono.

5. If the Purchaser does not follow the requirements of this section and section 5, he will lose all his warranty rights for defects or improper execution of the subject matter.

§9 LIABILITY

1. WMfono is not liable towards the Purchaser if, for instance, the order or cooperation agreement was not executed or was executed with a delay due to a Force Majeure or an action/nonfeasance of the Purchaser. Force Majeure means all external events preventing WMfono from the correct execution of the order (strike, street blockade, demonstrations, traffic accident, natural disasters, decisions of state authorities, etc.).

2. If a defective Product was delivered after satisfying the conditions described in section 8 of the OWH, the Purchaser can demand delivery of Products that are free of any defects in case the defects are significant. The collection and possible complaints regarding the Products delivered under the provisions of this section takes place according to the provisions of the OWH. WMfono may decide to satisfy the Purchaser's claim in other way than that described in this section if there is no possibility or no point to replace Products with Products that are free of defects.

3. WMfono is not liable for lost profits or other indirect damages suffered by the Purchaser. The liability of WMfono is limited to the actual property losses of the Purchaser. The entire liability of WMfono towards the Purchaser connected with the order or cooperation agreement shall not exceed the price of the

Products that are the subject of the order or cooperation agreement in relation to which a given claim arose.

4. WMfono is not liable for any errors/mistakes, faults or inaccuracies if they result from following the Purchaser's instructions, irrespective of whether they pertain to the Products themselves, their packaging, or other services. In this case WMfono will be entitled to receive full remuneration in accordance with the order or cooperation agreement provisions.

§10 NOTIFICATIONS

1. All notifications, demands, requests and other correspondence exchanged under the OWH, orders or cooperation agreements, shall be made in writing (explicitly without exception) and shall be deemed as handed over to the Purchaser (1) when delivered personally or (2) when delivered by the post or a courier to the Purchaser's address provided on the order form or cooperation agreement (or any other address provided by the Purchaser in a notification) with the reservation that the notification of a change of address will be deemed effective after it has been received by WMfono. If any correspondence sent by WMfono to the Purchaser's address indicated in the order form or cooperation agreement (or in the notification of a change of the Purchaser's address) has not been collected by the Purchaser, it will be deemed delivered after 15 days from the dispatch date.

2. The provisions of p. 1 above are not applicable for delivery of petitions/lawsuits, callings, writs, sentences, and other documents concerning judicial proceedings, and in such cases the procedures of the competent court shall respectively apply.

§11 FINAL PROVISIONS

1. Any orders order forms, dialogues and information exchanges and the cooperation agreement between the Parties constitute confidential business information of WMfono and their provisions cannot be revealed by the Purchaser, subject to the cases specified in the OWH.

2. Both parties acknowledge all OWH provisions as valid and binding. Nevertheless, if any provision of the Agreement are deemed invalid or unenforceable, these shall not affect the validity of other OWH provisions. If any OWH provision are deemed invalid or unenforceable, both parties will be obliged to promptly modify or supplement the OWH so that it expresses the intentions of the Parties.

3. WMfono is entitled to present the Purchaser's Product as samples to potential customers as well as photograph and display those photographs on associated WMfono websites for promotional purposes. The above right applies only to Products the production of which has been finished and the Purchaser has made them available via distribution services or in retail. Unless the Purchaser reserves otherwise in his order form, WMfono shall have the right for the use the image of the goods produced under the Purchaser's order for its own promotional purposes, with which the Purchaser agrees. WMfono has the right to inform the Purchaser via electronic means of communication about the offered services, using e.g., informational and advertisement materials, to which the Purchaser agrees.

4. The Purchaser undertakes to promptly notify WMfono in writing (by registered post) about their financial difficulties that will make the Purchaser unable to finalise the order or cooperation agreement, i.e. payment for the fulfilled order.

5. In case of any doubts or discrepancies, the provisions of the Polish version of OWH shall respectively apply. Amendments to the agreement must be made in explicitly in writing, unless the agreement specifies otherwise.

6. If WMfono fails to exercise any right resulting from the OWH, order, or cooperation agreement, it shall not be recognized as waiving its rights or requirements defined in the OWH, order form, or cooperation agreement.

7. All matters not settled herein will be governed by Polish law regulations.

8. The court competent to settle disputes arising from agreements concluded between the Parties is a common court having jurisdiction over the seat of WMfono in Warsaw.