

GENERAL TERMS AND CONDITIONS (“GTC”)

Of

BTS Art Factory Doo, Skopje for International Clients (outside Macedonia)

1. Applicability; Conclusion of contract

- 1.1 BTS Art Factory DOO (hereinafter "BTSAF" or BTSAF) shall provide its services exclusively on the basis of the following General Terms and Conditions. They shall also apply to all future business relations, even if they are not expressly referred to.
- 1.2 Deviations from these GTC and other additional agreements with the Customer shall only be effective if they have been confirmed by BTSAF in writing.
- 1.3 Terms and conditions of the Customer, if any, shall not be accepted unless expressly agreed otherwise in writing on a case-by-case basis. No separate objection of BTSAF to the Customer's GTC shall be required.
- 1.4 If any provisions of these General Terms and Conditions are ineffective, the effectiveness of the remaining provisions and the contracts concluded on the basis of the same shall not be affected. The ineffective provision shall be replaced by an effective provision which comes as close as possible to the meaning and purpose of the ineffective one.
- 1.5 BTSAF's offers shall be subject to change without notice and non-binding.

2. Scope of services; Order processing; Customer's duties to co-operate

- 2.1 The scope of services to be provided shall be based on the specifications of the respective Agreement or BTSAF's acknowledgment of order, if any, and the briefing report, **if any**. Subsequent modifications of the services shall be subject to BTSAF's

written confirmation. When executing the order BTSAF shall be free in its discretion within the framework specified by the Customer.

- 2.2 All services of BTSAF (including but not limited to all preliminary designs, sketches, final drawings, proofs, blueprints, copies, coloured prints and electronic files) shall be checked by the Customer and released within three working days upon receipt by the Customer. If they are not released within that period, they shall be deemed approved by the Customer.
- 2.3 The Customer shall make accessible to BTSAF completely and in time all information and documents required for providing the service. The Customer shall notify BTSAF of all circumstances that are relevant to execution of the order, even if they become known only in the course of execution of the order. The Customer shall bear the costs incurred due to the fact that work has to be done again by BTSAF or is delayed because of his incorrect, incomplete or subsequently modified specifications.
- 2.4 The Customer shall further be obliged to examine the documents made available for execution of the order (photos, logos, etc.) for any copyrights, trademarks or other rights of third parties. BTSAF shall not be liable for any violation of such rights. In case BTSAF is held liable for an infringement of such rights Customer shall fully indemnify and hold harmless BTSAF and shall reimburse any disadvantages suffered by BTSAF due to third-party claims.

3. External services; Commissioning of third parties

- 3.1 BTSAF shall be entitled at its own discretion to render the services it self, to employ expert third parties as agents [*Erfüllungsgehilfen* as defined by Section 1313a of the Austrian General Civil Code [*ABGB*]] and/or to commission a third party to render such services ("External Services").
- 3.2 Commissioning third parties to render External Services shall either be in the name of BTSAF or in the name of the Customer but in any case for the Customer's account. BTSAF shall select the relevant third party with care and ensure that it is appropriately qualified.

3.3 In case BTSAF commissions necessary or agreed External Services, the relevant contractors shall not be considered agents [*Erfüllungsgehilfen*] of BTSAF.

4. Deadlines

4.1 Unless expressly agreed to be binding delivery or service periods stated shall only be approximate and non-binding. Binding agreements on deadlines shall be recorded in writing and subject to BTSAF's written confirmation. Refrain

4.2 If the delivery/service of BTSAF is delayed for reasons for which the BTSAF is not responsible, such as, e.g. events of force majeure or other unforeseeable events that cannot be prevented by reasonable means, the service obligations shall be suspended for the duration and to the extent of the impairment and the periods shall be extended accordingly. If such delays continue for more than two months, Customer and BTSAF shall be entitled to rescind the contract.

4.3 If the BTSAF is in default, the Customer may only rescind the contract after having granted BTSAF a grace period of at least 30 days and such period has expired fruitlessly. Claims of the Customer for damages on the ground of non-performance or default shall be excluded, unless intent or gross negligence can be proved.

5. Early termination

5.1 BTSAF shall be entitled to terminate the contract for important reasons with immediate effect. Important reasons shall include but not be limited to situations where:

(a) provision of a service has become impossible for reasons for which the Customer is responsible or is further delayed even though the Customer was granted a grace period of 14 days;

(b) the Customer continues to violate material obligations under this contract, such as, e.g. payment of an amount payment of which has been demanded or duties to co-operate, despite a written warning and having been granted a grace period of 14 days;

- (c) legitimate concerns exist regarding the Customer's credit standing and the Customer fails to make an advance payment or to furnish suitable security at BTSAF's request;
- (d) bankruptcy or composition proceedings are opened over the assets of the Customer or a petition for opening of such proceedings is dismissed for lack of assets to cover the costs or the Customer discontinues his payments.

5.2 Customer shall be entitled to terminate the contract for important reasons without having to grant a grace period of 30 days. An important reason shall be, in particular, where BTSAF repeatedly violates material provisions of this contract despite a written warning and having been granted a grace period of 30 days to remedy the breach of the contract.

6. Fees

6.1 Unless otherwise agreed BTSAF's entitlement to fees shall arise for any specific service once the same has been rendered. BTSAF shall be entitled to ask for advance payment to cover its expenses. From a contract volume involving a (an annual) budget of EUR 2,000 (twothousand) or contracts extending over a prolonged period of time, BTSAF shall be entitled to render interim accounts or issue advance invoices or demand payments on account.

6.2 The fees shall be stated as net fees plus statutory value added tax. If in a specific case no agreement on fees has been concluded, BTSAF shall be entitled to fees at market rates for the services rendered and for transfer of copyrights and marks.

6.3 All services of BTSAF which are not expressly covered by the agreed fees shall be paid for separately. All cash expenses incurred by BTSAF shall be reimbursed by the Customer.

6.4 Cost estimates provided by BTSAF shall be non-binding. If it becomes clear that the actual costs will exceed BTSAF's written cost estimate by more than 15 per cent, BTSAF shall advise the Customer of such higher costs. The increase in costs shall be

deemed accepted by the Customer if the Customer does not object to such increase in writing within three working days of the advice and state cheaper alternatives at the same time. Cost increases of up to 15 per cent shall not have to be advised separately. Such deviations from the cost estimate shall be deemed accepted by the Customer from the beginning.

7. Payment; Retention of title

- 7.1 The fee shall be due for payment immediately upon receipt of the invoice without any deductions, unless special payment terms are agreed in writing on a case-by-case basis. The same shall apply to all cash and other expenses charged. BTSAF shall retain title to the goods delivered by it until full payment of the consideration including all ancillary payables.
- 7.2 In case of payment default of the Customer statutory default interest at the rate applicable to business-to-business transactions will be charged. In case of default the Customer also undertakes to reimburse BTSAF the dunning and collection charges incurred to the extent they are necessary for pursuit of the claim. This shall in any case include the costs of two dunning letters at market rates and of one dunning letter of a lawyer who has been instructed with collection. Assertion of further rights and claims shall remain unaffected.
- 7.3 In case Customer is in default of payment, BTSAF may call for immediate payment of services or partial services rendered under different contracts concluded with the Customer. Furthermore, BTSAF shall not be obliged to render additional services until payment of the amount outstanding. If payment by instalments has been agreed, BTSAF reserves the right to demand immediate payment of the total debt outstanding if instalments or ancillary claims are not paid in time (acceleration clause).
- 7.4 Customer shall not be entitled to set off claims of BTSAF against his own claims unless the Customer's claim has been recognised by BTSAF in writing or ascertained by court.

8. Title and copyright

- 8.1 BTSAF shall retain title to all services of BTSAF, including services in connection with presentations (e.g., suggestions, ideas, sketches, preliminary designs, scribbles, final drawings, concepts, negatives, slides), including parts thereof, as well as the individual work pieces and original designs shall remain the property of BTSAF and BTSAF may demand at any time, in particular in the case of termination of the contractual relationship, that they be returned to it. By paying the fees the Customer shall acquire the right to use the services for the designated purpose agreed. Unless otherwise agreed the Customer shall, however, use BTSAF's services exclusively in the Territory agreed in writing. Acquisition of rights to use and exploit BTSAF's services shall in any case be subject to full payment of the fees charged by BTSAF for the same.
- 8.2 Modifications and/or editing of services of BTSAF by the Customer, including but not limited to further development of the same by the Customer or third parties working for the Customer, shall only be permitted with the express consent of BTSAF and, to the extent that services are protected by copyright, of the author.
- 8.3 Use of services of BTSAF beyond the originally agreed purpose and scope of use shall be subject to BTSAF's consent irrespective of whether such service is protected by copyright or not. In consideration thereof BTSAF and the author shall be entitled to a separate reasonable fee.
- 8.4 After termination of the respective Agreement use of services of BTSAF and/or advertising means for which BTSAF prepared concepts or designs shall also be subject to BTSAF's consent irrespective of whether the service is protected by copyright or not.
- 8.5 In the first year after termination of the contract BTSAF shall be entitled to the full BTSAF fees agreed in the expired contract for any use as described in paragraph 4. In the second and third year after expiration of the contract BTSAF shall only be entitled to half or one fourth of the consideration agreed in the contract. From the fourth year after termination of the contract no BTSAF fees shall be payable.

8.6 The Customer shall be liable to BTSAF for any unlawful use in the amount of twice the reasonable fees for such use.

9. Identification marks

9.1 BTSAF shall be entitled to make reference to BTSAF and the author, if applicable, on all advertising means and in any advertising and promotion measures, without the Customer being entitled to any payment in this respect.

9.2 BTSAF shall be entitled to make reference to its business relationship with the Customer on its own advertising media, including but not limited to its website, by referring to the Customer's business name and business logo, with the Customer having the right to revoke his consent at any time. In case BTSAF has created the design of the Customer's web page BTSAF shall be mentioned and a cross link to BTSAF's web page shall be implemented.

10. Warranty

10.1 Customer shall notify any defects immediately and in any case within eight days of delivery/provision of the service by BTSAF and hidden defects not later than eight days after they were identified in writing including a description of the defect; otherwise the service shall be deemed accepted. In that case assertion of any warranty claims or claims for damages as well as the right to assert claims on grounds of mistake shall be excluded.

10.2 In the case of a justified and timely notification of defects Customer shall be entitled to improvement or replacement of the delivery/service by BTSAF. BTSAF shall repair the defects within a reasonable period of time and the Customer shall enable BTSAF to take all measures which are necessary for examination and repair of the defects. BTSAF shall be entitled to refuse improvement of the service if such improvement is impossible or if BTSAF were to incur disproportionately high costs. In that case Customer shall be entitled to cancel the contract or get a fee reduction. In case of improvement Customer shall send the defective (physical) item at his cost.

- 10.3 Customer shall be obliged to examine the service for its lawfulness, including but not limited to competition law, trademark law, copyright law and administrative law. BTSAF shall not be liable for accuracy of any contents provided or approved by the Customer.
- 10.4 Warranty period shall be six months as of delivery/service. The right of recourse to BTSAF as defined in Section 933 b (1) *ABGB* shall be forfeited one year after delivery/service. The Customer shall not be entitled to withhold payments on the ground of complaints. The presumption rule of Section 924 *ABGB* shall be excluded.

11. Liability and product liability

- 11.1 In cases of slight negligence BTSAF shall not be liable for damage to property or pecuniary loss suffered by the Customer, be it indirect or direct damage, lost profit or consequential damage resulting from a defect, damage due to default, impossibility, breach of obligation, *culpa in contrahendo* or due to defective or incomplete performance. The harmed party shall have to prove gross negligence.
- 11.2 Any liability of BTSAF for claims asserted vis-à-vis Customer on the ground of services rendered by BTSAF (e.g. advertising and promotion measure) shall be expressly excluded, provided that BTSAF complied with its duty to inform or if it was unable to see such a duty, even due to slight negligence. BTSAF shall in particular not be liable for costs of legal proceedings, lawyer's fees of the Customer or costs of publication of judgments or for claims for damages, if any, or other claims of third parties; the Customer shall indemnify and hold harmless BTSAF in this respect.
- 11.3 Claims of the Customer for damages shall be forfeited six months after knowledge of the damage and in any case three years after BTSAF's infringement. Claims for damages shall be limited to the net contract value.

12. Data protection (visual emphasis according to court decisions)

Customer expressly agrees that BTSAF will electronically collect, store and process the data provided by Customer (name, address, e-mail address, credit

card data, bank details) for purposes of performance of the contract and Customer service as well as for its own advertising and promotion purposes. Customer agrees to be sent electronic mail for advertising purposes until further notice.

13. Applicable law

The Agreement and all mutual rights and duties resulting therefrom as well as any claims between BTSAF and the Customer shall be subject to “Osnoven sud Skopje 1”.

14. Place of performance and place of jurisdiction

14.1 The place of performance shall be the registered office of BTSAF. In case of shipping the risk shall pass to the Customer once BTSAF has delivered the goods to the transport company chosen by it.

14.2 The agreed place of jurisdiction for all legal disputes arising between the BTSAF and the Customer in connection with this contractual relationship shall be the court having jurisdiction over the subject-matter and BTSAF's registered office. Notwithstanding the foregoing BTSAF shall be entitled to sue the Customer at his general place of jurisdiction.

Alternative:

14.2

In the event of any dispute between the Parties arising out of this Agreement, the Parties shall use their best endeavours to resolve the matter on an amicable basis.

Any disputes arising out of or in connection with the respective Agreement, including disputes on its conclusion, binding effect, amendment and termination, shall be finally settled in accordance with the Rules of Arbitration and Conciliation of Arbitration of the

International Chamber of Commerce, Vienna, in force on the date when the Notice of Arbitration is submitted in accordance with such rules. The number of arbitrators shall be three. The Parties shall each nominate one arbitrator. The third arbitrator shall be appointed jointly by the two arbitrators already appointed or, failing such appointment within four weeks after the appointment of the two arbitrators, by the Court of Arbitration. The arbitrators must be experts in international business transactions. The place of the arbitration shall be Vienna, the language of the arbitration proceedings shall be English.