

**AUTHOR'S AND DIRECTOR'S ATTESTATION  
ATTESTATION D'AUTEUR ET REALISATEUR**

I, the undersigned, (je, soussigné) :  
**Mamoru Hosoda**

address (domicilié à) :  
**4F Daiichi-Koenji-KS Bld., 3-57-10, Koenji-Minami,  
Suginami-ku, Tokyo 166-0003, Japan**

am the author of the script and the Director of the film entitled (auteur du scénario  
et réalisateur du film intitulé) :  
**« Wolf Children » (« Les Enfants Loups, Ame & Yuki »)**

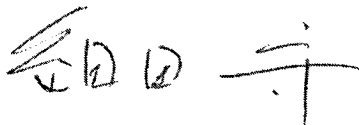
and I declare that I have assigned all necessary rights for the full period of the  
copyright to (déclare avoir cédé tous les droits nécessaires pour la durée du  
copyright à) :  
**Nippon Television Network Corporation**

of address (domicilié à) :  
**1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7444, Japan**

This autorisation is given for the full period of the copyright (cette autorisation est  
valable pour toute la durée du copyright).

Date : 2012年6月18日 2012.6.18

Signature :



**EUROZOOM**  
22, rue La Fayette - 75009 PARIS  
Tél. : 01 42 93 73 55 / Fax : 01 42 93 71 99  
eurozoom@eurozoom.fr  
Siret : 39950444800065 - Code NAF 921 F

**AUTHOR'S ATTESTATION  
ATTESTATION D'AUTEUR**

I, the undersigned, (je, soussignée) :  
**Satoko Okudera**

address (domiciliée à) :  
**1-3-6-302, Sakurashinmachi, Setagaya-ku, Tokyo 154-0015, Japan**

am the author of the script of the film entitled (auteur du scénario du film  
intitulé) :  
**« Wolf Children » (« Les Enfants Loups, Ame & Yuki »)**

and I declare that I have assigned all necessary rights for the full period of the  
copyright to (déclare avoir cédé tous les droits nécessaires pour la durée du  
copyright à) :  
**Nippon Television Network Corporation**

of address (domicilié à) :  
**1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7444, Japan**

This autorisation is given for the full period of the copyright (cette autorisation  
est valable pour toute la durée du copyright).

Date : 2012/6/18

Signature : 奥寺 佐渡子



**EUROZOOM**  
12, rue La Fayette - 75009 PARIS  
T : 01 42 93 73 65 / Fax : 01 42 93 71 92  
eurozoom@eurozoom.fr  
39950444800065 - Code NAF 921 F

**PRODUCER'S ATTESTATION  
ATTESTATION DU PRODUCTEUR**

I, the undersigned, (je, soussigné) :  
**Seiji Okuda**

duly entitled to represent (dûment autorisé à représenter) :  
**Executive Producer**

address (domicilié à) :  
**1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7444, Japan**

attest and certify that I have produced the film entitled (atteste et certifie avoir  
produit le film intitulé) :  
« **Wolf Children** » (« **Les Enfants Loups, Ame & Yuki** »)

directed and written by (réalisé et écrit par) :  
**Mamoru Hosoda**

and that I have granted to (et avoir cédé à) :  
**Nippon Television Network Corporation**

of address (domicilié à):  
**1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7444, Japan**

the right to exploit the film in all media (le droit d'exploiter le film sur tous  
supports).

The present authorisation is given for the full period of the copyright (Cette  
autorisation est valable pour toute la durée du copyright).

Date :

2012.6.18

Signature :

Okuda Seiji



**EUROZOOM**  
22, rue La Fayette 75009 PARIS  
Tél. : 01 42 93 71 99 / Fax : 01 42 93 71 99  
eurozoom@eurozoom.fr  
Siret : 39950444800065 - Code NAF 921 F

Requête: M. 10000

DISTRIBUTION CINEMA  
22 rue Lafayette - 75009 Paris  
Tél : 01 42 93 73 55 - Fax : 01 42 93 71 99  
eurozoom@eurozoom.fr  
www.eurozoom.fr

**EUROZOOM**

Paris, le 28 juin 2012

**Déclaration de titre français**

Monsieur le conservateur,

J'ai l'honneur de vous informer que le film de nationalité japonaise, dont le titre original est :

***Okami kodomo no Ame to Yuki***

Et le titre international :

***Wolf Children***

en cours d'immatriculation au RPCA

sera distribué en France sous le titre :

***Les Enfants Loups, Ame & Yuki***



Chantal Burg  
Assistante de Direction



Le 1er juin 2012

Nippon Television Network Corporation  
Société de droit japonais  
Dont le siège social est situé :  
1-6-1 Higashi Shimbashi  
Tokyo 105-7444, Japon  
Le Cédant,

ET

VIZ Media Switzerland SA  
Société de droit suisse  
Dont le siège social est situé :  
4 avenue de Provence  
1007 Lausanne, Suisse  
Le Cessionnaire,

Ont signé un contrat de cession de droits d'exploitation portant sur l'œuvre cinématographique suivante :

WOLF CHILDREN  
Réalisé par Mamoru Hosoda

Les droits cédés sont :

- droits d'exploitation cinématographique
- droits d'exploitation sous forme de vidéogrammes
- droits d'exploitation télévisuelle (gratuite et payante)
- droits d'exploitation pay per view
- droits d'exploitation « hotel »

Ceux-ci ont été cédés à compter du 1<sup>er</sup> mai 2012, et jusqu'au 30 avril 2020, pour les territoires suivants : France, Espagne, Portugal, Belgique, Pays-Bas, Luxembourg, Allemagne, Pologne, Italie, Grèce, Chypre, Malte, Suède, Finlande, Danemark, Slovénie, Bulgarie, Roumanie, République Tchèque, Slovaquie, Autriche, Hongrie, Suisse, Norvège, Islande, Liechtenstein, Andorre et Monaco. .

Cette cession est intervenue en contrepartie du paiement d'une avance d'un montant total de 200 000\$. Le Cessionnaire sera redevable de redevances sur les revenus d'exploitation, une fois l'avance récupérée sur la part de redevances due au Cédant, selon les pourcentages suivants :

- 50% sur les revenus de l'exploitation cinématographique ;
- 20% sur les revenus de l'exploitation sous forme de vidéogrammes ;
- 50% sur les revenus de l'exploitation télévisuelle.

Le Cessionnaire est en outre autorisé à récupérer des frais de distribution des revenus d'exploitation, préalablement au calcul de la part de redevances du Cédant.



certifié conforme à l'original  
 Te: 03 38 71 42 93 71 99  
 eurozoom.com eurozoom.fr  
 Siret: 3986444890005 - Sede NAF 821 F  
 Contract #WC12062020-00

**INTERNATIONAL DISTRIBUTION LICENSE AGREEMENT**

This Distribution License Agreement ("Agreement") is made as of June 1st, 2012 (May 1st, 2012 as "Effective Date") between NIPPON TELEVISION NETWORK CORPORATION having its principal office at 1-6-1 Higashi Shimbashi, Tokyo 105-7444, Japan ("Licensor") and VIZ Media Switzerland SA, a Swiss corporation having its principal office at 4 avenue de Provence, 1007 Lausanne, Switzerland ("Distributor").

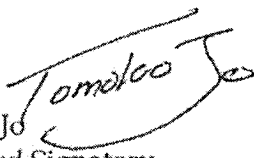
Subject to timely payment of all monies due to Licensor and Distributor's full performance under this Agreement, Licensor licenses exclusively to Distributor, and Distributor accepts from Licensor, the Licensed Rights in the Picture throughout the Territory for the Agreement Term in the Authorized Languages subject to the Holdbacks identified below on all the terms and conditions of this Agreement.

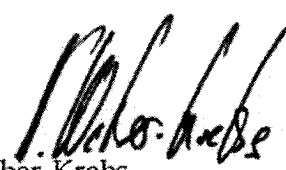
This Agreement has the following parts: this Cover Page; Table Of Contents; Deal Terms; Standard Terms ("Standard Terms"); Schedule Of Definitions; IFTA™ Rules for International Arbitration version V; and the following indicated Attachment(s):

<input checked="" type="checkbox"/>	Standard Attachments	<input checked="" type="checkbox"/>	IFTA™ International Financing Documents
	International Access Letter		
	International Delivery Manifest		Acknowledgement and Acceptance
	International Censorship Rider		
<input checked="" type="checkbox"/>	Internet Rider		Other:
	Other:		

All parts of this Agreement will be interpreted together to form one contract, but in the event of a direct conflict, any terms inserted in the Deal Terms will prevail.

Licensor and Distributor have executed this Agreement as of the Effective Date written above to constitute a binding contract between them.

LICENSOR:  
  
 By: Tomoko Jo  
 Its Authorized Signatory  
 Title: Senior Operating Officer  
 Director General  
 Content Business Division  
 Nippon Television Network Corporation

DISTRIBUTOR:  
  
 By: Nicolas Weber-Krebs  
 Its Authorized Signatory  
 Title: President  
 VIZ Media Switzerland SA

Page 1 of 49

**NIPPON TELEVISION NETWORK CORPORATION**  
 1-6-1 Higashi Shimbashi, Minato-ku, Tokyo 105-7444 Japan  
 phone: 81-3-6215-1111 fax: 81-3-6215-3029 e-mail: eiga@ntv.co.jp www.ntv.co.jp

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**INTERNATIONAL DISTRIBUTION LICENSE AGREEMENT**

**DEAL TERMS**

*Any right not specifically licensed to Distributor in the Licensed Rights Terms (below) is not granted to Distributor and reserved to the Licensor.*

**I.**

**BASIC LICENSE TERMS**

**A. Picture:**

Title: Wolf Children (approx. 117 minutes)

Director: Mamoru Hosoda

Main Casts: Aoi Miyazaki, Takao Osaka

**B. Territory:**

Territory: France, Spain, Portugal, Belgium, Netherlands, Luxembourg, Germany, Poland, Italy, Greece, Cyprus, Malta, Sweden, Finland, Denmark, Slovenia, Bulgaria, Romania, Czech Republic, Slovakia, Austria, Hungary, Switzerland, Norway, Iceland, Liechtenstein, Andorra, and Monaco.

**C. Agreement Term And License Period:**

Subject to Paragraph 6. of the Standard Terms:

1. **Agreement Term:** The Agreement Term starts on the Effective Date of this Agreement and ends when the last License Period for all Licensed Rights ends.

2. **License Period:** The License Period for all Licensed Rights is 8 years from the Effective Date of this Agreement:

**D. Authorized Language Use(s):**

Authorized Language(s): Official Languages spoken in the Territory;

Original Language;  Local Language(s)

Authorized Language Use(s):  Dubbed  Subtitled  Parallel Tracked

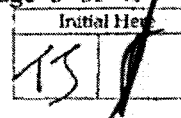
**E. Release Requirements:**

First Release Medium:

First Release Date:

**F. Use Restrictions:** In exercising any Licensed Right, Distributor will abide by the following:

Licensed Right	Format	Language	Language Use	Restriction
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

Initial Here  


**II.  
LICENSED RIGHTS TERMS**

A Right is licensed to Distributor only if the Yes ("Y") box is marked. A Right not marked or marked in the "No" ("N") box or not shown is a Reserved Right of Licensor. A check ("✓") means a selection is effective. All Licensed Rights are defined terms in the Schedule of Definitions.

**A. Cinematic Rights:**

Licensed?		Cinematic Licensed Rights	Holdbacks		From	or
Y	N		Months	<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>		Theatrical		<input checked="" type="checkbox"/>	First Japanese Theatrical Release (except for the World Premiere in Paris)	
<input checked="" type="checkbox"/>		NonTheatrical		<input checked="" type="checkbox"/>	First Japanese Theatrical Release (except for the World Premiere in Paris)	
<input checked="" type="checkbox"/>		Public Video		<input checked="" type="checkbox"/>	First Japanese Theatrical Release	

**B. Video Rights:**

Licensed?		Video Licensed Rights	Authorized Format			Holdbacks		From	or
Y	N		Cassette	DVD	VCD	Months	<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>		Home Rental	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	First Japanese Video Release	
<input checked="" type="checkbox"/>		Home SellThru	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	First Japanese Video Release	
<input checked="" type="checkbox"/>		Commercial	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	First Japanese Video Release	
<input checked="" type="checkbox"/>		DVD Rental		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	First Japanese Video Release	
<input checked="" type="checkbox"/>		DVD SellThru		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	First Japanese Video Release	
<input checked="" type="checkbox"/>		VCD Rental			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	First Japanese Video Release	
<input checked="" type="checkbox"/>		VCD SellThru			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	First Japanese Video Release	
<input checked="" type="checkbox"/>		Blu-ray					<input checked="" type="checkbox"/>	First Japanese Video Release	


**C. Pay TV Rights:**

Licensed?		Pay TV Licensed Rights	Licensed Telecasts		Holdbacks		From	or
Y	N		Runs	Playdates	Months	<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>		Terrestrial	Multiple	N/A	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory	
<input checked="" type="checkbox"/>		Cable	Multiple	N/A	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory	
<input checked="" type="checkbox"/>		Satellite	Multiple	N/A	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory	

**D. Free TV Rights:**

Licensed?		Free TV Licensed Rights	Licensed Telecasts		Holdbacks		From	or
Y	N		Runs	Playdates	Months	<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>		Terrestrial	Multiple	N/A	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory	
<input checked="" type="checkbox"/>		Cable	Multiple	N/A	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory	
<input checked="" type="checkbox"/>		Satellite	Multiple	N/A	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory	

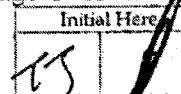
**E. PayPerView Rights: Cable Only**

Initials  


Licensed?		PayPerView Licensed Rights	Holdbacks		From	<input checked="" type="checkbox"/>	or
Y	N		Months	<input checked="" type="checkbox"/>			
<input checked="" type="checkbox"/>		Residential	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory		
<input checked="" type="checkbox"/>		NonResidential	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory		
<input checked="" type="checkbox"/>		Demand View	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory		

F. Ancillary Rights:

Licensed?		Ancillary Licensed Rights	Holdbacks		From	<input checked="" type="checkbox"/>	or
Y	N		Months	<input checked="" type="checkbox"/>			
	<input checked="" type="checkbox"/>	Airline					
	<input checked="" type="checkbox"/>	Ship					
<input checked="" type="checkbox"/>		Hotel	6	<input checked="" type="checkbox"/>	First Home Video Release in Territory		

Initial Here  


**III.  
FINANCIAL TERMS**

**A. Guarantee:**

**1. Base Currency: US Dollars**

The Base Currency is the currency in which all payments and recoupments under this Agreement are denominated and calculated.

**2. Amount:**

USD 200,000 payable:

Installment		Payment Event	Payment Method		
%	Amount		W/T	I/C	Other
20	US\$ 40,000	on execution of the Long Form.	√		
40	US\$ 80,000	within 5 months of delivery of the materials, but in any case before theatrical release in the Territory.	√		
40	US\$ 80,000	Within 10 months of delivery of the materials, but in any case before first DVD release in the Territory.	√		

The Guarantee is a minimum net sum and no deductions of any kind may be made from it. If deduction of withholding tax is required under applicable law, Distributor shall bear the amount of such withholding tax and shall provide Licensor with all documentation demonstrating Distributor's payment of the required amount on Licensor's behalf.

**3. Payment Methods:**

a. **WT - Wire Transfer:** Distributor will pay the indicated installments of the Guarantee by wire transfer of unencumbered funds, free of any transmission charges, to the following account:

Account No: 0089555 (swift code: BOTKJPJT)  
 NIPPON TELEVISION NETWORK CORPORATION  
 The Bank of Tokyo-Mitsubishi UFJ, LTD,  
 Kojimachi-chuo Branch  
 4-1 Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan

**B. Other Payments:**

Overages are amounts due to Licensor after Distributor has recouped the Guarantee and Recoupable Distribution Costs if and as allowed under this Agreement ("Overages"). Material charges are amounts due to Licensor for Delivery Materials ("Material Charges"). Distributor will pay all Overages, Material Charges and any other payments due Licensor in accordance with the payment methods set forth in Paragraph A.3. above. The amount of any Overages shall be specified in the statements to be furnished by Distributor to Licensor as set forth in Paragraphs 10.4 and 10.5 of the Standard Terms.

Initial Here	
TS	A

C. Recoupment of Guarantee/General Provisions:

1. Allocation of Guarantee:

If no allocation is indicated below, then the entire Guarantee will be allocated to the Cinematic Rights. Otherwise, the Guarantee will be allocated among the Licensed Rights as follows:

Licensed Right	%	Guarantee Allocation Amount
Cinematic		
Ancillary		
Video		
PayPerView		
PayTV		
FreeTV		

2. Cross-Collateralization

The unrecouped Recoupable Distribution Costs for a Licensed Right may be recouped from Gross Receipts for any other Licensed Right. The unrecouped portion of the Guarantee for each Licensed Right may be recouped from Licensor's Share of Gross Receipts for any other Licensed Right.

Initials	
CS	JK



**D. Disposition of Gross Receipts:**

The Parties to this Agreement have elected to allocate and pay to Licensor Gross Receipts in accordance with the specified election(s) indicated below:

**1. Costs-Off Deal:**

Distributor will make continuing payments and recoupments in the following order from Gross Receipts for each designated Licensed Right separately. No cross-collateralization is allowed except as provided in Paragraph C.

**a. Recoupment Of Recoupable Distribution Costs:**

First, Distributor may use the following percentage of Gross Receipts for each designated Licensed Right to recoup the indicated percentage of Recoupable Distribution Costs for that Licensed Right:

Licensed Right	Gross	Costs	Licensed Right	Gross	Costs
All Licensed Rights	%	%	PayPerView	0%	0%
Cinematic	100%	100%	PayTV	0%	0%
Ancillary	0%	0%	FreeTV	0%	0%
Video	0%	0%			

**b. Sharing Until Guarantee, If Any, Recouped:**

Next, Distributor will credit to Licensor, and may retain for Distributor, for each designated Licensed Right, Licensor's percentage of the Gross Receipts left after recoupment of the Recoupable Distribution Costs until the Guarantee allocated to that Licensed Right is recouped (or if no allocation, until the entire Guarantee is recouped) as follows:

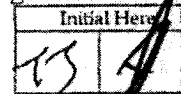
Licensed Right	Licensor	Distributor	Licensed Right	Licensor	Distributor
All Licensed Rights	%	%	PayPerView	50%	50%
Cinematic	50%	50%	PayTV	50%	50%
Ancillary	50%	50%	FreeTV	50%	50%
Video	20%	80%			

The Guarantee will be recouped from payments otherwise due Licensor for the designated Licensed Right.

**c. Sharing After Guarantee Recouped Or Sharing If No Guarantee:**

Next, Distributor will pay to Licensor, and then may retain for itself, for each designated Licensed Right the following percentages of Gross Receipts left after recoupment of the Guarantee for that Licensed Right, or, if there is no Guarantee, after recoupment of the Recoupable Distribution Costs for that Licensed Right:

Licensed Right	Licensor	Distributor	Licensed Right	Licensor	Distributor
All Licensed Rights	%	%	PayPerView	50%	50%
Cinematic	50%	50%	PayTV	50%	50%
Ancillary	50%	50%	FreeTV	50%	50%
Video	20%	80%			

Initial Here  


**2. Video Royalty Deal:**

Distributor will make continuing payments and recoupments from Gross Receipts for each Video Licensed Right as indicated in the following table.

Video Licensed Rights	Authorized Formats	Licensor Royalty Before Recoupment	Licensor Royalty After Recoupment	Minimum Wholesale Price	Minimum Retail Price	Free Goods Limit
All Video Licensed Rights	All Uses	%	%			
Home Rental	Cassette	20%	20%	N/A	N/A	N/A
	DVD	20%	20%	N/A	N/A	N/A
	(Other) VCD	20%	20%	N/A	N/A	N/A
Home SellThru	Cassette	20%	20%	N/A	N/A	N/A
	DVD	20%	20%	N/A	N/A	N/A
	(Other) VCD	20%	20%	N/A	N/A	N/A
Commercial	Cassette	20%	20%	N/A	N/A	N/A
	DVD	20%	20%	N/A	N/A	N/A
	(Other) VCD	20%	20%	N/A	N/A	N/A

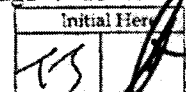
An entry for "All Video Licensed Rights" applies to all Video Licensed Rights. For each designated Video Licensed Right and Authorized Format:

(1) First, Distributor will credit to Licensor for each designated Licensed Right and Authorized Format the percentage of Gross Receipts indicated in the column marked "Licensor Royalty Before Recoupment" until Distributor has recouped the Guarantee allocated to such Licensed Rights or, if no allocation, to the entire Guarantee.

(2) Next, Distributor will credit to Licensor for each designated Licensed Right and Authorized Format the percentage of Gross Receipts indicated in the column marked "Licensor Royalty After Recoupment" once Distributor has recouped the Guarantee allocated to such Licensed Rights or, if no allocation, to the entire Guarantee.

(3) If a Minimum Wholesale Price or a Minimum Retail Price is indicated above, then Distributor, if not prohibited by Law, will not exploit or authorize exploitation of Videograms for less than such minimums. In any case, in calculating all amounts due Licensor, all Videograms will be deemed sold for not less than such minimum price. Distributor will not dispose of more than the number of Videograms set forth above as promotional, discount, or free samples ("Free Goods") without Notice of Licensor's prior approval. Any disposition beyond such amount will be considered as if sold at not less than the Minimum Wholesale Price for purposes of computing any amounts due Licensor.

(4) Distributor may retain for its own account all Gross Receipts derived for each designated Licensed Right and Authorized Format not allocated to the account of Licensor.

Initial Here  


**IV.  
DELIVERY TERMS**

**A. Delivery Materials:**

The Delivery Materials consist of the following Initial Materials and Additional Materials:

**1. Initial Materials:**

	Initial Materials (check the one applicable)
<input checked="" type="checkbox"/>	Identified in Licensor's Notice of Initial Delivery
<input checked="" type="checkbox"/>	Specified on the attached International Delivery Manifest
	Other:

\* Licensor shall deliver Initial Materials on loan, subject to Distributor's execution of the Loan Insurance Letter in a form specified by Licensor. Distributor shall return the Initial Materials to Licensor within one (1) month unless otherwise designated by Licensor.

**2. Additional Materials:**

	Additional Materials (check the one applicable)
<input checked="" type="checkbox"/>	Identified in Licensor's Notice of Additional Delivery
<input checked="" type="checkbox"/>	Specified on the attached International Delivery Manifest
	Other:

**B. Delivery Dates:**

**1. Initial Delivery Date:**

Licensor will give Distributor a Notice of Initial Delivery under Paragraph 11.2.1. of the Standard Terms that Licensor is prepared to make Initial Delivery no later than:

- Promptly after the Picture is ready for Delivery; or  
 The following fixed date: \_\_\_\_\_

**2. Outside Delivery Date:** The Outside Delivery Date will be set within 6 months after the Japanese Theatrical Release.

Licensor must give Distributor a Notice of Initial Delivery that Licensor is prepared to make Initial Delivery no later than the Outside Delivery Date. This Outside Delivery Date may not be extended for any reason without Distributor's prior written approval, even for Force Majeure.

**C. Materials Charges Payment Instructions:**

Distributor will pay for all Material Charges:

To be specified in Licensor's Notice of Initial Delivery per Paragraph 11.2. of the Standard Terms or in other written instruction, including fax or e-mail, given by Licensor to Distributor;

As follows:

**D. Materials Shipping Instructions:**

Licensor will ship all Materials to Distributor:

To be specified in Licensor's Notice of Initial Delivery per Paragraph 11.2. of the Standard Terms;

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Contract #WC12062020-00

[√] Promptly after Licensor's receipt of all amount specified in Paragraph A.2. of the Financial Terms and the payment of all Material Charges pursuant to the Material Charges Payment Instructions set forth in Paragraph C above.

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V.  
**ADDITIONAL TERMS**

**A. Governing Law:** \_\_\_\_\_

This Agreement will be governed by and interpreted under the Governing Law. Unless otherwise indicated, the Governing Law is Japanese Law.

**B. Dispute Resolution:**

Any dispute under this Agreement will be resolved by final, binding arbitration under the IFTA™ Rules for International Arbitration in effect as of the Effective Date and in accordance with Paragraph 15.5. of the Standard Terms.

**C. Forum:** \_\_\_\_\_

The exclusive location for resolving disputes under this Agreement is the Forum. Unless otherwise indicated, the Forum is Tokyo, Japan.

**D. Additional Deal Terms:**

1. **Statements:** Upon Licensor's request, Distributor shall furnish Licensor with information about exploitation of Each Licensed Rights, including but not limited to the number of Videogram sold, retail price and wholesale price of Videogram sold, the name of Licensed Channels transmitting the Pictures, telecasting dates, timeslots, ratings, and any other information that Licensor reasonably requests.
  
2. **Licensor's Ad Campaign Approval Rights:** Licensor will have the right of prior approval of the advertising and marketing campaign for the exploitation of the Licensed Rights in the Picture. Distributor will submit all proposed advertising and artwork to Licensor for approval before it is used. Licensor's approval will be deemed given if Licensor does not give Notice to Distributor of an objection within fifteen (15) business days of Licensor's receipt of these items.

In no event shall any advertisement or any commercial, or any trailer of any other film or picture distributed by Distributor or otherwise, be included on any Videogram of the Picture without the prior written approval of Licensor.

3. **Distributor Created Materials:** Any Materials to be created under the License Agreement either by Distributor or its designee shall belong to Licensor. Furthermore, Distributor shall agree to grant Licensor free access to such materials upon its creation, subject to Licensor's payment of its duplication cost.

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4. Videogram Samples:

Distributor shall supply Licensor with the following:

- i) Five (5) free copies of DVD/VCD created by or on behalf of Distributor;
- ii) Five (5) free copies of VHS videocassettes of Authorized Language Version if available;
- iii) Five (5) free copies of videocassette/DVD/VCD sleeve

5. Copyright Notices:

© 2012 "WOLF CHILDREN" FILM PARTNERS

Copyright notice on the Picture should not be eliminated for any reason. Those copyrights notices above should always be put somewhere well-recognized.

6. **No Partnership:** Nothing in this Agreement shall be construed to create or evidence a joint venture, partnership or agency relationship between the parties hereto.
7. **Exportation of the Videogram:** Distributor shall not allow the exportation of the Videogram (including DVD and VCD) embodying the Picture outside of the Territory (ies) and shall specifically supply regional code or other access control devices of the Territory (ies) with every copy of the DVDs/VCDs or other Videogram products of the Picture.
8. **Editing:** The version of the Picture to be released by Distributor in the Territory shall only be that version of the Picture as delivered by Licensor to Distributor hereunder and approved by Licensor. No other version of the Picture may be exploited by Distributor hereunder and Distributor shall not cut or edit the Picture in any circumstances without the prior approval of Licensor.

In case of any cutting or editing in the Territory (ies) pursuant to sub-paragraphs i) above, Distributor shall notify Licensor in advance of the proposed cuts or edits to be made and the director of the Picture and/or Licensor shall be afforded the opportunity to make or supervise all such cutting or editing on the basis that his expenses shall be reimbursed by Distributor in connection therewith and provided further that no changes to, additions to or deletions from the credits contained on the final version of the Picture shall be made without the approval of Licensor.

9. **Excerption:** Distributor shall be entitled to use excerpts of the Picture for sole and exclusive purposes of promoting the Licensed Rights, provided that the duration of said excerpts shall not exceed ten (10) minutes in total.

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10. **Commercial Tie-In:** Distributor shall not have the right to enter into any agreement exploiting the commercial tie-ins for the Picture without Licensor's prior written approval.
11. **Festivals and Charitable Screenings:** Distributor may enter the Picture in any festivals, charitable screenings or the like provided within the Territory for promotional use only subject to prior written approval of Licensor which shall be in its sole discretion.
12. **Right to Collection of Levies:** Licensor reserves and shall solely own the right to collect (i) all royalties for Simultaneous Retransmissions as set forth Paragraph 12.4.4 of the Standard Terms and (ii) levies or other charges collected under operation of law or other compulsory industry requirement with respect to the Picture in the Territory which are payable to the copyright owner or the distributor of the Picture, including but not limited to, compensation for private copy, theatrical box office levies and video levies (including without limitation, levies or other charges on the sale of video recorders, blank video cassettes, video discs, DVDs or similar items or the rental of Videograms).
13. **Confidentiality.** Both parties shall maintain in strict confidence, and shall use and disclose only as authorized by the other party, all information of either party that has been identified as being proprietary or confidential, or that recipient should reasonably know by the nature of the circumstances surrounding the disclosure or receipt ("Confidential Information"), which it receives in connection with this Agreement and the transactions contemplated hereby. Confidential Information shall include the terms of this Agreement. Each of the Parties agree that it shall not make use of, disseminate, or in any way disclose any Confidential Information of the other Party to any third Party, person, firm or business. These restrictions shall not be applied to (1) information generally available to the public, (2) information released by the other party generally without restriction, (3) information independently developed or acquired by the Party or its personnel without reliance in any way on the Confidential Information of the other Party, (4) information approved for the use and disclosure of the other Party or its personnel without restriction or (5) information which was rightfully in the recipient's possession free of any obligation of confidence at or subsequent to the time it was communicated to recipient by discloser. Notwithstanding the foregoing restrictions, such Party and its personnel may disclose any Confidential Information to the extent required by an order of any court or other governmental authority.

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STANDARD TERMS AND CONDITIONS

1. DEFINITIONS AND USAGE

1.1. **Definitions:** Words and phrases with initial letters capitalized are Defined Terms. If not defined where they first appear, they are defined in the attached Schedule of Definitions which is incorporated by reference and is a part of this Agreement. The reference in any provision herein to rights not specifically licensed in the Deal Terms is for convenience only and does not grant Distributor any such rights.

1.2. **Usage:** If more than one Picture is licensed to Distributor in the Deal Terms, then all provisions of this Agreement apply to each Picture individually unless specifically provided otherwise in this Agreement.

2. PICTURE AND VERSION

2.1. **Picture:** The Picture is the Motion Picture currently identified in the Deal Terms. Licensor may change the title of the Picture.

2.2. **Key Elements:** A Key Element is a Person identified as such in the Deal Terms who must render services or materials on the Picture in the capacity indicated in the Deal Term. A Person will be deemed to have done so if the Person receives credit for so doing in the main or end titles of the Picture. For a director, this requirement will be satisfied if the director renders directing services through the end of Principal Photography. If a Key Element is unable fully to render services or materials due to default, disability or death, Licensor may substitute another Person in such capacity who is acceptable to the distributor scheduled to make the First Release of the Picture in France, Monaco, Belgium, Netherlands, French-speaking Luxembourg, French-speaking Switzerland, and French-speaking Andorra, and Distributor may not refuse to accept Delivery of the Picture or reduce the Guarantee because of such substitution.

2.3. **Version:** The Picture is only licensed in linear form for viewing from beginning to end. Licensor reserves all rights in all Versions of the Picture other than its original linear form as Delivered to Distributor and the authorized dubbed, subtitled or edited Versions made by Distributor.

3. LICENSED RIGHTS AND RESERVED RIGHTS

3.1. **License:** Subject to the terms of this Agreement, Licensor exclusively licenses to Distributor the Licensed Rights in the Picture for their respective License Periods throughout the Territory for exploitation only by the Authorized Language Use(s), for the Authorized Format(s), on the Licensed Channel(s), for no more than the Licensed Telecast(s), and subject to all Use Restrictions set forth in the Deal Terms.

3.2. **Vesting:** Each Licensed Right will only vest in Distributor if and when each of the following occurs in accordance with the Deal Terms: (i) Distributor accepts Initial Delivery of the Picture; and (ii) if the Deal Terms contain a Guarantee, Distributor pays Licensor the entire Guarantee.

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3.3. **Reservation:** All rights not expressly licensed to Distributor in the Deal Terms are Reserved Rights. Licensor may exploit all Reserved Rights without restriction except as expressly provided in this Agreement.

3.4. **Reversion:** Each Licensed Right will immediately revert to Licensor free of any claim by Distributor or other Person on the earlier of the end of the License Period for the Licensed Right, the end of the Agreement Term under Paragraph 6.1., or cancellation under Paragraph 15.2.

3.5. **Exclusivity Limitations:**

3.5.1. **Broadcast Overspill:** Licensor does not grant exclusivity protection against reception in the Territory of a broadcast or Simultaneous Retransmission of the Picture originating outside the Territory, whether terrestrial, cable or satellite. Licensor only agrees, subject to Paragraph 3.5.4., that during the License Period for any PayPerView, Pay TV or Free TV Licensed Rights it will not broadcast or authorize broadcast of the Picture in any Authorized Language within the Region where the broadcast is intended for primary reception within the Territory.

3.5.2. **Parallel Imports:** Licensor does not grant exclusivity protection against sale or rental in the Territory of Videograms embodying the Picture imported from outside the Territory. Licensor only agrees, subject to Paragraph 3.5.4., that during the License Period for any Video Licensed Right it will not sell or authorize sale of Videograms embodying the Picture in any Authorized Language within the Region where those Videograms are intended for primary consumer sale or rental within the Territory.

3.5.3. **Internet Availability:** Licensor does not grant exclusivity protection against the availability of the Picture on the Internet within the Territory. Licensor only agrees, subject to Paragraph 3.5.4., that until the end of the Holdback for any Video Licensed Rights, Licensor will not authorize making the Picture available on the Internet in any Authorized Language for Downloading at reasonably identifiable locations in the Territory.

3.5.4. **Original Version:** Unless Japanese is an official language in the Territory, Licensor's agreement in the second sentence of each of the previous three subparagraphs does not apply to the original, unsubtitled Japanese language version of the Picture even if Japanese is an Authorized Language.

4. **ALLIED RIGHTS**

4.1. **Credit And Advertising:** When exploiting the Picture, Distributor will comply at all times after their receipt with all required screen credits, paid advertising, publicity and promotional requirements, name and likeness restrictions, and Videogram packaging credit requirements (if needed) as supplied by Notice from Licensor. However, all the materials made before the requirements are not subject for change. Upon Licensor's request, Distributor will promptly submit to Licensor all advertising materials used by Distributor so that Licensor can determine whether its requirements are being met.

4.2. **Dubbing, Subtitling And Editing:** Distributor may not create dubbed, subtitled or parallel track versions of the Picture unless they are Authorized Language Uses in the Deal

Terms. When creating any authorized dubbed, subtitled or edited version of the Picture or its trailers, Distributor will comply, at all times after their receipt, with all dubbing, subtitling or editing requirements for the Picture or its trailers, which are supplied by Notice from Licensor. However, all the materials made before the requirements are not subject for change. *Except as expressly provided in this Agreement, the Picture and its trailers must be exhibited at all times in their original continuity, without alteration, interpolation, cut or elimination.*

4.3. **Exercise Of Allied Rights:** Subject to Licensor's requirements under Paragraphs 4.1. and 4.2. and the provisions of this Agreement, Distributor will have the non-exclusive right at its sole expense:

4.3.1. To advertise, publicize, and promote the exploitation of the Licensed Rights in the Picture in the Territory, and in so doing to use the title of the Picture, the advertising and promotion materials supplied by Licensor or created by Distributor under this Agreement, and the name, voice and likeness of any Person rendering materials or services on the Picture but not as an endorsement for any product or service other than the Picture;

4.3.2. To include before the beginning or after the end of the Picture the credit or logo of Distributor;

4.3.3. To change the title of the Picture after first obtaining Licensor's Notice of approval;

4.3.4. To dub or subtitle the Picture but only in the Authorized Language(s); and

4.3.5. In exploiting any Free TV Licensed Rights, to agree to a broadcaster's insertion of commercial announcements in the Picture but only at those points reasonably designated by Licensor.

4.4. **Limitations:** In exercising the Allied Rights, Distributor may not: (i) alter or delete any credit, logo, or copyright, patent or trademark notice appearing on the Picture; (ii) include any advertisements or other material before, during or after the Picture other than the credit or logo of Distributor, an approved anti-piracy warning, or commercials as authorized in this Agreement; (iii) alter or delete any Rights Management Information appearing on any Copy of the Picture supplied by Licensor without prior Notice of Licensor's approval, or (iv) alter, substitute, dub or delete any music or lyrics without prior Notice of Licensor's approval.

4.5. **No Inadvertent Failure:** An inadvertent failure on behalf of Distributor to comply with any requirements provided under Paragraphs 4.1. and 4.2. will not be a material breach of this Agreement *provided that* Distributor takes all steps to cure prospectively such failure after any Notice from Licensor.

## 5. TERRITORY AND REGION

5.1. **Territory:** The Territory means the countries or territories listed in the Deal Terms, as further defined in the IFTA™ International Schedule of Suggested Territories and Regions, and as their political borders exist on the Effective Date of this Agreement.

5.2. **Non-Contiguous Areas:** Non-Contiguous Areas mean embassies, military and government installations, oil rigs and marine drilling sites, airlines-in-flight and ships-at-sea flying the flag of a country but not located within its contiguous geographic borders. The Territory does not include the Non-Contiguous Areas of other foreign countries located within

the Territory. However, for the Non-Theatrical, Commercial Video, Airline and Ship Licensed Rights, the Territory includes the Non-Contiguous Areas of each country in the Territory as necessary for exploiting such Rights.

5.3. **Changes In Borders:** If during the Agreement Term an area separates from a country in the Territory then the Territory will still include the entire area which formed one political entity as of the Effective Date of this Agreement. If during the Term an area is annexed to a country in the Territory, then Licensor grants Distributor a right of First Negotiation to acquire the Licensed Rights in the Picture through the end of the Agreement Term in the newly annexed area to the extent said rights are then or become available.

5.4. **Region:** The Region is the part of the world in which the Territory is located. The Region is defined either in the Deal Terms or as otherwise in the IFTA™ International Schedule of Suggested Territories and Regions current as of the Effective Date of this Agreement.

5.5. **Regionalization:** The Picture is only licensed for exploitation using the technological methods in customary commercial use in the Territory during the Agreement Term. For example, if PAL is the customary commercial format for Videograms in the Region, then in exercising any Video Licensed Rights Distributor may only exploit Videograms of the Picture in the PAL format. If the Video Licensed Rights include DVD as an Authorized Format, then Distributor may only exploit Videograms of the Picture in the local encoded DVD regional format.

5.6. **Changes In Licensed Channel:** Distributor may only telecast or authorize telecast of the Picture over the originating transmitting facilities of the Licensed Channel designated in the Deal Terms as it exists on the Effective Date of this Agreement. If there is a physical change in the facilities of the Licensed Channel that materially affects the number or kind of household televisions capable of receiving it (e.g. signal boost, new transponder, satellite orbital drift), then Distributor will promptly give Licensor Notice of such change. Licensor grants Distributor a right of First Negotiation regarding exploitation of any affected Licensed Rights over such new facilities, taking into account rights previously granted to other Persons and an adjustment in the Minimum Guarantee. If no agreement is reached in the First Negotiation period, Licensor may withdraw the Picture under Paragraph 14.

**6. AGREEMENT TERM, LICENSE PERIOD AND HOLDBACKS**

6.1. **Agreement Term:** The Agreement Term starts and ends on the dates set forth in the Deal Terms *except* in case of extension per Paragraph 14. or early termination per Paragraphs 14. or 15.

6.2. **License Period:** The License Period is the maximum time period in the Deal Terms during which Distributor may exploit or authorize the exploitation of each Licensed Right. The License Period for any Pay TV or Free TV Licensed Rights ends on the *earlier* of the end of the License or the conclusion of the last Licensed Telecast. Failure to use all Licensed Telecasts will not extend the License Period. Distributor may not exploit or authorize exploitation of any Licensed Right after the end of the Agreement Term.

6.3. **First Release:** First Release means the earliest of: (i) the Initial Release Date designated in the Deal Terms, if any; or (ii) the date on which the Picture is actually first made

generally available to the paying public in the Territory, either through exhibition in cinemas, sale of Videograms, or telecast; or (iii) six (6) months after Notice of Initial Delivery.

6.4. **Distributor Holdbacks:** Distributor may not exploit or authorize exploitation of any Licensed Right until the end of its Holdback. However, Distributor may enter into agreements at any time to exploit a Licensed Right starting after the end of its Holdback.

6.5. **Licensor Holdbacks:** Licensor may not exploit or authorize exploitation in the Territory of any Reserved Right until the end of its Holdback. However, Licensor may enter into agreements at any time to exploit a Reserved Right in the Territory starting after the end of its Holdback.

6.6. **Holdback Coordination:** Licensor may extend any Holdback by up to three (3) months *provided that* Licensor gives Distributor prompt Notice of any adjusted Holdback period no later than three (3) months before the end of the original Holdback period.

6.7. **Use Restrictions:** Distributor may not exploit or authorize exploitation of any Licensed Right contrary to any Use Restriction in the Deal Terms. If DVD is an Authorized Format, then Distributor may not (to the extent permitted by Law), sell or authorize sale of DVDs incorporating the Original Language Version of the Picture Parallel Tracked with any other Authorized Language Version until three (3) months after Original Language DVD Versions are made available for sale to the public in any country in the Region where the Original Language of the Picture is a primary language or, if there is no such country in the Region in the country of origin of the Picture.

## 7. GROSS RECEIPTS

7.1. **Gross Receipts.** Gross Receipts means the sum on a continuous basis of the following amounts derived with respect to each and every Licensed Right:

7.1.1. All monies or other consideration of any kind including all advances, guarantees, security deposits, awards, subsidies (other than those described in Paragraph 7.6.) and other allowances received by, used by, or credited to Distributor, any Distributor Affiliates or agents from the license, sale, lease, rental, lending, barter, distribution, diffusion, exhibition, performance, exercise or other exploitation of each Licensed Right in the Picture, all without any deductions; and

7.1.2. All monies or other consideration of any kind received by, used by, or credited to Distributor or any Distributor Affiliates or agents as recoveries for the infringement of any Licensed Right in the Picture; and

7.1.3. All monies or other consideration of any kind received by, used by, or credited to Distributor or any Distributor Affiliates or agents from any authorized dealing in trailers, posters, copies, stills, excerpts, advertising accessories or other materials used in connection with the exploitation of any Licensed Right in the Picture or contained on Videograms embodying the Picture.

7.2. **Gross Receipts Calculated At Source:** No Distributor Affiliates may deduct any fee or cost from Gross Receipts in calculating all amounts due Licensor. For the purpose of determining Licensor's share of Gross Receipts, all Gross Receipts generated by Distributor Affiliates must be calculated at "source". This means that Gross Receipts derived from the

exploitation of any of the following Licensed Rights must be calculated at the following levels: (i) for any Theatrical Licensed Right, at the level at which payments are remitted to Distributor Affiliates; (ii) for any NonTheatrical or Ancillary Licensed Right, at the level at which payments are remitted to Distributor Affiliates; (iii) for any Home Video Licensed Right, at the level at which payments are remitted to Distributor Affiliates; (iv) for any Commercial Video or Public Video Licensed Right, at the level at which payments are remitted to Distributor Affiliates; and (v) for any Television Licensed Right, at the level at which payments are remitted to Distributor Affiliates.

7.3. Wholesale Level: The Wholesale Level means the level of Videogram distribution from which Videograms are shipped directly to retailers for ultimate sale or rental to the paying public. The Wholesale Level may include intermediate distribution levels between the manufacturer and the retailer, such as rack jobbers and the like, if such distribution is performed by a Distributor Affiliate, or if Distributor participates in the profits from such intermediate distribution, but then only to the extent of such participation.

7.4. Direct Consumer Level: The Direct Consumer Level means the level of Videogram distribution at which Videograms are sold or rented directly to the paying public. The Direct Consumer Level includes the sale or rental of Videograms by means of retail outlets, mail order, video clubs, and similar methods. Where Commercial Video or Public Video rights are licensed, the Direct Consumer Level also includes the authorized public performance, exhibition, or diffusion of Videograms in accordance with such Licensed Right. Distributor will not be deemed to be engaged in distribution at the Direct Consumer Level unless such distribution is performed by a Distributor Affiliate, or unless Distributor participates in the profits from such distribution, and then only to the extent of such participation.

7.5. Royalty Income: All amounts collected by any collecting society, authors' rights organization, performing rights society or governmental agency arising from compulsory licenses, cable retransmission income, music performance royalties, tax rebates, exhibition surcharges, levies on blank Videograms or hardware, rental or lending royalties, or the like, will as between Licensor and Distributor be the sole property of Licensor and not included in Gross Receipts. Licensor has the sole right to apply for and collect all these amounts. If any of such amounts are paid to or collected by Distributor, then Distributor will immediately remit them to Licensor with an appropriate statement identifying the source.

7.6. Advertising Rebates And Subsidies: The following amounts, if received by, used by, or credited to Distributor, any Distributor Affiliate or any approved subdistributor will not be included in Gross Receipts but will be used to reduce Recoupable Distribution Costs to the extent not repayable by Distributor to any third party: (i) print, publicity and similar subsidies for the cost of releasing advertising or publicizing the Picture for the Theatrical Release ; (ii) income from publicity tie-ins; or (iii) freight, print, trailer, advertising and other cost recoveries, rebates, refunds or discounts, whether obtained from regional or national institutions, exhibitors, approved subdistributors or other Persons.

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**8. RECOUPABLE DISTRIBUTION COSTS**

**8.1. Recoupable Distribution Costs.** Recoupable Distribution Costs means all direct, auditable, out-of-pocket, reasonable and necessary costs, exclusive of salaries and overhead, less any discounts, credits, rebates or similar allowances, actually paid by Distributor for exploiting Theatrical Right in arms-length transactions with third parties, all of which will be advanced by Distributor and recouped under this Agreement; for:

8.1.1. Customs duties, import taxes and permit charges necessary to secure entry of the Picture into the Territory;

8.1.2. Notarization, translation, and similar costs relating to obtaining or securing registration of copyright, title classification or identification, clearances or similar activities for the importation, exploitation or protection of the Picture in the Territory, but only to the extent reasonably pre-approved by Licensor, and if Licensor advances any such fees or costs Distributor will promptly reimburse Licensor for them on demand after Distributor's approval;

8.1.3. Sales, use, VAT, admission and turnover taxes and related charges assessable against any Gross Receipts realized from the exploitation of the Licensed Right but only to the extent allowed by Paragraph 9.5., but not including corporate income, franchise or windfall profits taxes or remittance or withholding taxes assessable against amounts payable to Licensor;

8.1.4. Remittance taxes, withholding taxes and other deductions on amounts payable to Licensor but only to the extent allowed by Paragraphs 9.4 and 9.5.;

8.1.5. Shipping and insurance charges for Delivery of the Materials to Distributor including any amounts for shipping within the Territory but not for returning the Materials to Licensor;

8.1.6. Manufacture of internegatives, pre-print materials, positive prints, masters, tapes, trailers and other copies of the Picture in an amount reasonably pre-approved by Licensor;

8.1.7. Costs of allowed subtitling or dubbing in the Authorized Language(s);

8.1.8. Costs of allowed advertising, promotion and publicity in the amount reasonably pre-approved by Licensor;

8.1.9. Censorship fees and costs of editing to meet censorship requirements as allowed pursuant to a Censorship Rider, if attached to this Agreement; and

8.1.10. Additional customary and reasonable costs actually paid by Distributor in exploiting the Picture if approved in advance by Notice from Licensor.

**8.2. Limits on Costs:** No Recoupable Distribution Cost may be deducted from Gross Receipts for any Licensed Right except to the extent such deduction is authorized in the Deal Terms. Any cost that does not qualify as a Recoupable Distribution Cost under Paragraph 8.1. will be Distributor's sole responsibility *unless* Licensor gives Notice approving its recoupment. No cost item qualifying as a Recoupable Distribution Cost may be deducted more than once.

**8.2.1. Third Party Costs:** If a Distributor Affiliate or approved subdistributor pays a cost that would be a Recoupable Distribution Cost if paid by Distributor, then such cost may be



recouped by Distributor as a Recoupable Distribution Cost. Otherwise no costs of any third party may be recouped from monies due Licensor.

**9. PAYMENT REQUIREMENTS**

9.1. **Timely Payment:** Distributor will make payments to Licensor and retain recoupments from Gross Receipts only in the manner and sequence specified in the Deal Terms. Timely payment is of the essence of this Agreement. Payment will only be considered made when Licensor has immediate and unencumbered use of funds in the required currency in the full amount due. Distributor will use diligent efforts to obtain promptly all permits necessary to make all payments to Licensor.

9.2. **Guarantee:** The Guarantee is the amount payable to Licensor against Licensor's share of Gross Receipts indicated in the Deal Terms. The Guarantee is non-returnable but recoupable in conformity with this Agreement. The Guarantee is a minimum net sum and no taxes or charges of any sort may be deducted from it. The Guarantee may also be called the "Minimum Guarantee".

9.3. **Guarantee Installments:** Distributor will pay each installment of the Guarantee to Licensor in the time and manner specified in the Deal Terms. Where an installment is payable on events within Licensor's control, e.g., the start of Principal Photography, Licensor will give Distributor timely Notice of such event. Where an installment is payable on events within Distributor's control, e.g., First Release, Distributor will give Licensor timely Notice of such event.

9.4. **Remittance Taxes:** The Guarantee is a minimum net sum and will be calculated and payable in the amount stated in the Deal Terms regardless of any remittance or withholding taxes that may be due on sums remitted from the Territory. However, Distributor may recoup all remittance or withholding taxes as a Recoupable Distribution Cost after providing Licensor with all documentation demonstrating Distributor's payment of the required amount on Licensor's behalf.

9.5. **Limits on Deductions:** There will be no deductions from any payments due Licensor because of any bank charges, conversion costs, sales use or VAT taxes, "kontingents", quotas or any other taxes, levies or charges unless separately agreed to in a Notice from Licensor.

9.6. **Blocked Funds:** If any Law prohibits remittance from the Territory of any amounts to Licensor, then Distributor will give Licensor prompt Notice of such Law. Distributor will deposit such amounts in Licensor's name for Licensor's unencumbered use in a suitable depository designated by Licensor without any deductions for so doing.

9.7. **Finance Charge On Late Payments:** Any payment not made when due will, in addition to any other right or remedy of Licensor, incur a finance charge at the lesser of two percent (2%) per month or the highest rate permissible under applicable law. This finance charge will accrue from the date the payment was due until it is paid in full.

9.8. **Exchange Rate Provisions:** Distributor will recoup the Guarantee and all Recoupable Distribution Costs in the currency of each country in the Territory. Distributor

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will convert any sums due Licensor to the Base Currency at the prevailing exchange rate on the date due at a bank timely designated by Licensor. For a late payment, Licensor will be entitled to the most favorable exchange rate between the due date and the payment date. The risk of devaluation of the Base Currency designated by Licensor is Licensor's sole risk; the risk of the devaluation of the currency of the Territory is Distributor's sole risk.

9.9. Documentation: If any Law requires Distributor to obtain a permit or clearance to exploit any Licensed Right, then Distributor will do so at its expense promptly after payment of the Guarantee. These may include dubbing certificates, quota permits, censorship clearances, author certificates, certificates of origin, music cue sheets and remittance tax forms. Distributor will provide Licensor on request with copies of documents indicating compliance with such Law.

10. ACCOUNTINGS

10.1. Limits On Cross-Collateralization: No payment for the Picture may be cross-collateralized with or set-off against any amounts for any other Motion Picture licensed to Distributor. Amounts due for the Picture may not be used to recoup amounts for any other Motion Picture, or *vice versa*. Gross Receipts and Recoupable Distribution Costs for the Motion Picture may only be cross-collateralized among the Licensed Rights pursuant to Paragraph III.C. of the Deal Terms and countries in the Territory to the extent, if any, authorized in the Deal Terms.

10.2. Limits On Allocations: If the Picture is exploited with other Motion Pictures then Distributor will only allocate receipts and expenses among the Picture and the other Motion Pictures in the manner reasonably approved by a Notice from Licensor.

10.3. Financial Records: Distributor will maintain accurate records in local currency of the Territory of all financial transactions regarding the Picture using generally accepted accounting principles on a consistent, uniform and non-discriminatory basis until three (3) years after the Agreement Term and during any period while a dispute about payments remains unresolved. The records will include all Gross Receipts derived, all Recoupable Distribution Costs paid, all allowed adjustments or rebates made, all cash collected or credits received, and all other information necessary to render any statement due. Unless Licensor gives Notice approving otherwise, all records will be maintained on a cash basis, and if Distributor permits any off-set, refund or rebate of sums due Distributor, such sums will nonetheless be included in Gross Receipts. Distributor will also maintain full and accurate copies of every statement, contract, electronic record, audit report, correspondence and other records for the Picture and make available such records for inspection at the Distributor's principal place of business.

10.4. Statements - Contents: Starting after Initial Delivery, Distributor will furnish Licensor with a statement in English on a case by case basis for the Picture that identifies from the time of the immediately prior statement, if any, all Gross Receipts derived, all Recoupable Distribution Costs paid (identifying to whom they are paid), and all exchange rates used. If any Video Rights are licensed the statements will also include: (i) all Videograms manufactured, sold, rented, leased, returned; (ii) the wholesale selling prices of all

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Videograms; and (iii) all allowable deductions taken. If the Territory contains more than one country, the information will be consolidated for the entire Territory. The information will be provided in reasonable detail on a current and cumulative basis. Distributor may not withhold any Gross Receipts as a reserve against returned or defective Videograms for more than two (2) consecutive accounting periods, after which the reserve must be liquidated. The amount withheld may not exceed ten percent (10%) of Video Gross Receipts derived for the two (2) accounting periods for which the reserve is retained.

10.5. **Statements - When Rendered:** Distributor will render statements within ninety (90) days following the last day of June and December in each year after the First Release. Each statement must be delivered to Licensor within one (1) month after the end of the period for which it is rendered. However, no statement need be rendered for any period in which there are no Gross Receipts, but if Licensor has not received a statement for six (6) months, Distributor will provide a current statement within one (1) month of Licensor's request.

10.6. **Audit Rights:** Until three (3) years after the Agreement Term, Licensor on fifteen (15) days' prior Notice may examine and copy, on its own or through its auditors, Distributor's financial records regarding the Picture. The examination will be at Licensor's expense unless it uncovers an underpayment, uncontested or later determined due, of more than 5 percent (5%) of the amount shown due Licensor on the statements audited, in which case Distributor will pay on demand the costs of the examination.

**11. DELIVERY AND RETURN**

11.1. **Terminology:** "Delivery" of a Picture means delivery to Distributor of the Delivery Materials, consisting of the Initial Materials and the Additional Materials, by means of the Delivery Methods, as provided in the Deal Terms and this Paragraph 11. Initial Delivery means delivery of the Initial Materials. Additional Delivery means delivery of the Additional Materials.

11.2. **Initial Delivery:** Licensor will make Initial Delivery as follows:

11.2.1. **Notice of Initial Delivery:** Licensor will commence the Delivery process by giving Distributor a Notice of Initial Delivery stating the date on which Licensor is prepared to make Initial Delivery. Such date must be no later than the Initial Delivery Date in the Deal Terms, unless the Initial Delivery Date is extended due to Force Majeure, but in any case no later than the Outside Delivery Date in the Deal Terms.

11.2.2. **Identified Initial Materials:** If the Initial Materials are identified on the Delivery Manifest or in the Delivery Deal Terms, then the Notice of Initial Delivery must also specify: (i) any Material Charges for the Initial Materials; (ii) the carrier making delivery; (iii) any delivery costs; and (iv) the method of payment. Distributor will immediately pay all amounts required. Upon receipt of payment, Licensor will immediately make Initial Delivery to Distributor of all Initial Materials by the required Delivery Method.

11.2.3. **Non-Identified Initial Materials:** If the Initial Materials are not identified on the Delivery Manifest or in the Delivery Deal Terms, then Licensor's Notice of Initial Delivery will identify the available Initial Materials. Within ten (10) days of receipt of

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Licensor's Notice Distributor will inform Licensor of the pre-print items, prints, trailers, advertising and promotional accessories, support items and other Initial Materials relating to the Picture that Distributor reasonably requires. Licensor will then give Distributor Notice of: (i) any Material Charges; (ii) the carrier making delivery; (iii) any delivery costs; and (iv) the method of payment. Distributor will immediately pay all amounts required. Upon receipt of payment, Licensor will immediately make Initial Delivery to Distributor of all Initial Materials by the required Delivery Method.

11.2.4. Distributor Acceptance: Distributor will respond promptly to Licensor's Notice of Initial Delivery so as not to delay the delivery process. In all cases, Distributor must accept Initial Delivery of all Initial Materials pursuant to the Delivery Manifest and no later than two (2) months after receipt of Licensor's Notice of Initial Delivery.

11.3. Additional Delivery: After completion of Initial Delivery, Licensor will give Distributor Notice that Licensor is prepared to make Additional Delivery. If the Additional Materials are identified in the Deal Terms or on the Delivery Manifest, Licensor's Notice will identify them; otherwise, Distributor will inform Licensor of the Additional Materials Distributor reasonably requires. Once the Additional Materials are identified, Licensor will inform Distributor of: (i) any Material Charges for the Additional Materials; (ii) the carrier making delivery; (iii) any delivery costs; and (iv) the method of payment. Distributor will immediately pay for such Additional Materials upon receipt of Licensor's Notice. Upon receipt of payment, Licensor will make prompt Delivery of the Additional Materials to Distributor as specified in the Deal Terms or Licensor's Notice.

11.4. Delivery Methods: Licensor will make Delivery of physical materials by one of the following methods specified in the Deal Terms or Licensor's Notice of Initial Delivery or Additional Delivery:

11.4.1. Physical Delivery: Where *Physical Delivery* is specified, Licensor will deliver to the delivery location specified in Paragraph IV.D. of the Deal Terms; the physical materials suitable for use as or for the manufacture of necessary exploitation materials listed on the Delivery Manifest. Unless otherwise specified in the Deal Terms, the physical materials will be shipped to Distributor by air transport.

11.4.2. Loan of Materials: Where *Loan Of Materials* is specified, Licensor will deliver on loan to the delivery location specified in Paragraph IV.D. of the Deal Terms or on the Delivery Manifest, the physical materials suitable for manufacture of necessary preprint materials. Unless otherwise specified in the Deal Terms, the physical materials will be shipped to Distributor by air transport. These physical materials will only be used to make new preprint materials, at Distributor's sole expense, from which necessary exploitation materials can be made. These physical materials will always be held in a laboratory or facility subject to Licensor's reasonable approval and will be returned to Licensor within a reasonable time designated by Licensor.

11.4.3. Electronic Delivery: Where *Electronic Delivery* is specified, Licensor will deliver the physical materials listed in the Deal Terms or on the Delivery Manifest to Distributor by electronic transmission over the Internet or comparable service consistent with available materials and Distributor's equipment. When using Electronic Delivery, Licensor may

require Distributor to obtain and use reasonable and commercially available digital rights management software and anti-piracy protection as a condition for making any electronic delivery.

11.5. **Delivery Of Support Material:** Licensor will also provide, at Distributor's request and expense, the advertising, promotional and other support materials as specified on the Delivery Manifest or Licensor's Notice of Initial Delivery. Unless otherwise specified in the Deal Terms, all such materials will be shipped to Distributor by air transport. If Distributor elects not to use any materials supplied by Licensor or only a portion thereof, then Distributor will obtain prior Notice of Licensor's approval before using any of its own servicing, advertising, promotional or other support material.

11.6. **Evaluation And Acceptance:** Distributor will evaluate all Delivery Materials for technical acceptance promptly after their receipt. All Delivery Materials will be considered technically satisfactory and accepted by Distributor unless within thirty (30) days after receipt Distributor gives Licensor Notice specifying any technical defect. If Distributor's Notice is accurate, then Licensor will, at its election, either: (i) promptly correct the defect and redeliver the affected Delivery Materials; or (ii) promptly deliver replacement Delivery Materials; or (iii) exercise its rights of suspension or withdrawal pursuant to Paragraph 14. In case of a redelivery, the procedures in this Paragraph will continue until Delivery is deemed made or the Picture is withdrawn. If Distributor has undertaken a First Release of the Picture then any alleged defect will be deemed waived by Distributor.

11.7. **Ownership Of Delivery Materials:** Legal ownership of and title to all Delivery Materials will remain with Licensor subject to Distributor's right to use such Delivery Materials under this Agreement. Distributor will exercise due care in safe-guarding all Delivery Materials and will assume all risk for their theft or damage while they are in Distributor's possession.

11.8. **Payment For Delivery Materials:** Distributor will pay for all Delivery Materials as indicated in the Deal Terms or otherwise by Notice from Licensor. All costs of Delivery and return (including shipping charges, import fees, duties, brokerage fees, storage charges and related charges) will be Distributor's sole responsibility unless otherwise specified in the Deal Terms.

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**11.9. Distributor Created Materials:** Distributor will provide Licensor and its designees with immediate unrestricted free access to all alternate language tracks, subtitled tracks and dubbed versions, masters, advertising and promotional materials, artwork and other materials created or authorized by Distributor to exploit the Picture ("Distributor Created Materials") for use by Licensor and/or its designees. Distributor will promptly give Licensor Notice of each Person who prepares any Distributor Created Materials and each laboratory or facility where they are located upon Licensor's request. Licensor will pay Distributor promptly on request for the actual cost of duplication for Licensor's reuse and shipping to Licensor of any Distributor Created Materials. Distributor assigns to Licensor, and Licensor will immediately become the owner of, the worldwide copyright in all Distributor Created Materials, subject to a non-exclusive free license in favor of Distributor to use them during the Agreement Term solely for exploitation of the Licensed Rights. If such ownership is not allowed under a Law in the Territory, then Distributor grants Licensor a non-exclusive free license to use all Distributor Created Materials worldwide in perpetuity without restriction.

**11.10. Return Of Materials:** When the Agreement Term ends, Distributor will at Licensor's election either: (i) return all Delivery Materials and Distributor Created Materials to Licensor at Distributor's expense; or (ii) destroy all Delivery Materials and Distributor Created Materials and provide Licensor with a customary certificate of destruction.

## 12. EXPLOITATION OBLIGATIONS

**12.1. General Obligations:** Distributor will release the Picture in conformity with any Release Requirements in the Deal Terms, including releasing the Picture in the First Release Medium by no later than the Outside Release Date (if specified). Throughout the Agreement Term, Distributor will use diligent efforts and skill in the distribution and exploitation of the Licensed Rights to maximize Gross Receipts and minimize Recoupable Distribution Costs. The Picture will be distributed and exploited consistent with the quality standards of first-class distributors in the Territory. Distributor will not discriminate against the Picture or use the Picture to secure more advantageous terms for any other motion picture, product or service. Distributor will maintain the Picture in continuous release throughout Territory for a period consistent with its reasonable business judgment. Distributor shall inform Licensor over the material terms of each sub-distribution agreement or agency agreement for exploitation of the Licensed Rights. No such agreement will be deemed approved unless and until Distributor has informed Licensor.

**12.2. Cinematic Exploitation Obligations:** In exploiting any Cinematic Licensed Rights:

**12.2.1. Licensor Approval:** Distributor will accord Licensor prior reasonable approval on an on-going basis of all significant aspects of first run Theatrical release throughout the Territory, including the initial release campaign, distribution policy, minimum and maximum print order, advertising and publicity budget, marketing campaign, release pattern, short subject allocations, and any modifications to them. In undertaking the Theatrical Release, Distributor will comply in all material respects with the distribution plan, print order, advertising expenditure, marketing campaign and release plan approved by Licensor. Without Licensor's prior consent, Distributor shall not engage

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in any cross-marketing, cross-promotion, cross-merchandising, joint advertising, joint marketing, Commercial Tie-In, Promotional Rights arrangements, product placement or joint distribution activities in connection with any element of a Licensed Picture.

12.2.2. Release Obligation: Distributor will give Licensor reasonable advance notice of all premieres of the Picture in the Territory. Distributor will not enter or screen the Picture in any festival, charitable screening or the like without Licensor's prior reasonable approval.

12.2.3. Release Information: During the period between the Theatrical Release of the Picture and the first accounting Statement, Distributor will give weekly Notice to Licensor setting forth all information available to Distributor regarding the results of such release, including exhibition terms, box office receipts and expenses as reported and received or incurred, on a weekly and cumulative basis.

12.2.4. Exhibition Obligations: In arranging for the exhibition of the Picture Distributor will comply with all of the following:

12.2.4.1. All exhibition agreements for the Picture must be made separate and independent from exhibition agreements for any other picture, product or service;

12.2.4.2. Distributor will not authorize or allow the Picture during its first run to be exhibited on a flat license or 4-wall basis, or as part of a multiple feature engagement, unless Licensor has given prior Notice of its approval of all relevant terms of such proposed exhibition, including the proposed allocation to the Picture of box office receipts, permitted advertising costs, license fees and film rentals;

12.2.4.3. Distributor will not authorize or allow the Picture during its first theatrical run to be exhibited with any other feature or short subject, *provided that*, if required to do so by Law, then Distributor will only allocate to such feature or short subject for that exhibition run the least of: (i) one percent (1%) of net box office receipts per theater; (ii) the equivalent of Five Hundred Dollars (US\$500) in the currency of the Territory per theater for each continuous playdate; or (iii) the equivalent of Twenty-Five Hundred Dollars (US\$2,500) for the entire exhibition run in all theaters;

12.2.4.4. Distributor will not cancel or amend any exhibition agreement once made without Licensor's prior written approval, and any settlements submitted to Licensor for approval must be at rates no less than those for comparable Motion Pictures in the Territory;

12.2.4.5. Distributor will audit all exhibition engagements for the Picture consistent with the practices of first-class distributors in the Territory and will promptly supply Licensor with the results of such audits;

12.2.4.6. Distributor will do all things reasonably necessary to maximize collections from exhibitors as quickly as is possible; and

12.2.4.7. Distributor will not license any Picture to any Controlled Theater in which Distributor, or any of its affiliates, partners, officers, directors or shareholders, has more than a ten percent (10%) interest, except on terms consistent with arms-length transactions by such Controlled Theater for comparable motion pictures. Distributor will promptly provide Licensor with copies, certified to be accurate, of all agreements with Controlled Theaters for exhibition of any Picture. Distributor will use all reasonable efforts to maximize collections from exhibitors as quickly as possible

**12.3. Video Exploitation Obligations:** In exploiting any Video Licensed Rights:

12.3.1. Licensor Approval: Distributor will accord Licensor prior reasonable approval of all advertising, packaging and artwork, and the advertising and marketing campaign for exploitation of the Video Licensed Rights in the Picture. In addition, Distributor at its cost will provide Licensor for its reasonable approval the design by electronic files of each authorized type of Videogram and its packaging promptly after their manufacture and before their sale or disposition. Licensor's approval will be deemed given if Licensor does not give Distributor Notice of an objection within one (1) month of receipt of these items. Distributor will provide Licensor with a reasonable number (not exceeding ten (10) free copies of each authorized Format of Videogram and its packaging subject only to applicable duties. Licensor will have the right of prior approval of the advertising and marketing campaign for the exploitation of the Video Licensed Rights in the Picture. Distributor will submit all proposed advertising and artwork to Licensor for approval before it is used. Licensor's approval will be deemed given if Licensor does not give Notice to Distributor of an objection within fifteen (15) business days of Licensor's receipt of these items.

12.3.2. Efforts And Quality: Distributor will use all diligent efforts and skill in the manufacture, distribution, and exploitation of Videograms of the Picture. The Videograms manufactured by Distributor will meet quality standards at least comparable to other Videograms commercially available through legitimate outlets in the Territory. Distributor will not advertise or authorize advertising of the availability of Videograms of the Picture to the public until two (2) months before the end of the applicable Video Holdback. From the end of the applicable Video Holdback until the end of the License Period for the Video Licensed Rights, Distributor will make Videograms of the Picture available in the Territory through its catalogue and will not allow them to leave normal channels of distribution for a commercially unreasonable period of time.

12.3.3. Included Material: Distributor will not allow any other Motion Picture, advertising or other material to be included on any Videogram of the Picture without

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Notice of Licensor's prior approval. If any such material is included, then any allocation of receipts between them must be reasonably approved by Licensor.

12.3.4. Pricing: If a Minimum Wholesale Price or a Minimum Retail Price is contained in the Deal Terms, Distributor, if not prohibited by Law, will not exploit or authorize exploitation of Videograms for less than such minimums. In any case, for calculating amounts due to Licensor, all Videograms will be deemed sold for not less than such minimums. Distributor will not dispose of more than the number of Videograms set forth in the Deal Terms as promotional, discount, or free samples ("Free Goods") without Notice of Licensor's prior approval, which shall not be unreasonably withheld. Any disposition beyond such amount will be considered as if sold at not less than the Minimum Wholesale Price in the Deal Terms for purposes of computing any amounts due Licensor.

12.3.5. Sell-Off Period: During the last six (6) months of the License Period for the Video Licensed Rights, Distributor will not manufacture Videograms in excess of those reasonably anticipated to meet normal customer requirements. During the three (3) month period following the end of the License Period for the Home Video Licensed Rights, and provided this Agreement has not been terminated under Paragraphs 14. or 15., Distributor will have the non-exclusive right to sell off its then existing inventory of Videograms for Home Video exploitation only. At the end of this three (3) month period, Distributor will at Licensor's election either sell its remaining Videograms and their packaging to Licensor at cost or destroy them and provide Licensor with a customary certificate of destruction.


12.4. Television Exploitation Obligations: In exploiting any Television Licensed Rights:

12.4.1. Limitations: Distributor will not broadcast or authorize broadcast of the Picture for more than the number of Run(s) or Playdate(s) authorized in the Deal Terms or, if none, for more than a commercially reasonable number approved by Licensor. Distributor will not broadcast or authorize broadcast of the Picture by any form of Pay TV other than an encrypted form, and Distributor will not sell, rent or export or authorize the sale, rental or export of decoders for such encryption outside the Territory. Distributor will not broadcast or authorize broadcast of the Picture by any means from within the Territory where the broadcast is primarily intended for reception outside the Territory or is capable of reception by more than an insubstantial number of home televisions outside the Territory.

12.4.2. Usage Reports: Distributor will notify Licensor in advance of the time and place of the expected first Pay TV and Free TV broadcast of the Picture in the Territory.

Upon Licensor's request, Distributor will promptly provide Licensor with the following information to the extent reasonably available to Distributor: (i) the title of the Picture in each Authorized Language used for each telecast of the Picture; (ii) each Person responsible for preparing a dubbed or subtitled version of the Picture; and (iii) the time and place of each telecast of the Picture since the last Usage Report to Licensor.

12.4.3. Commercials: In exploiting any Pay TV or Free TV Licensed Rights Distributor may insert or authorize insertion of commercial announcements in the Picture but only at

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those points as per general industry practice. Distributor will require each broadcaster to broadcast all credits, trademarks, logos, copyright notices and other symbols appearing on the Picture as furnished by Licensor.

**12.4.4 Simultaneous Retransmissions:** If during the Agreement Term, Simultaneous Retransmissions are subject to Compulsory Administration in a country in the Territory, then Licensor reserves the right to collect all royalties for Simultaneous Retransmissions of the Picture in such country regardless of where the primary broadcast originated. If broadcasters may grant or withhold authorization for Secondary Broadcasts of their primary broadcasts in such country then: (i) Distributor will require each broadcaster in such country licensing the Picture to abide by Licensor's reasonable directions regarding Secondary Broadcasts of the Picture; (ii) such directions may require the broadcaster to prohibit Secondary Broadcasts of the Picture until after a date designated by Licensor; and (iii) Distributor will timely give Notice to Licensor of primary broadcasts to which Distributor reasonably believes this provision will apply..

**12.4.5 Digital Broadcasts:** If during the Agreement Term, broadcasters in the Territory are required by Law to make simultaneous digital broadcasts of their analog broadcasts, then Distributor may authorize such simultaneous digital broadcasts, *provided that* both the analog and digital signal originate with the same broadcaster and duplicate the same content.

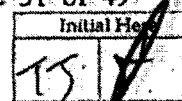
**12.4.6 Internet Broadcasts:** If during the Agreement Term, broadcasters in the Territory make their broadcasts simultaneously available on the Internet, then Licensor will give good faith consideration to authorizing such practice for the Picture subject to rights previously granted to others, *provided that* Distributor gives reasonable written assurances that Internet availability will only occur simultaneously with a broadcast of the Picture, will be only for the Authorized Language Use(s), will reasonably limit access to users within the Territory, and will incorporate technological safeguards that restrict copying or downloading of the Picture while on the Internet.

### 13. Music

**13.1. Cue Sheets:** To the extent required and available, Licensor will supply Distributor promptly after Delivery of the Motion Picture with available music cue sheets listing the composer, lyricist and publisher of all music embodied in the Picture. Distributor will as necessary promptly file with the appropriate governmental agency or music rights society in the Territory the music cue sheets supplied by Licensor without change.

**13.2. Synchronization:** Licensor represents and warrants to Distributor that Licensor controls all rights necessary to synchronize the music contained in the Picture on all Copies exploited by Distributor throughout the Territory for the Agreement Term. Licensor authorizes Distributor to exploit such synchronization rights without charge in conjunction with its exploitation of the Picture. Licensor will be solely responsible for paying all royalties or charges necessary to obtain and control such synchronization rights for the Agreement Term, and Licensor will hold Distributor harmless from any payments in this regard.

**13.3. Mechanical:** Licensor represents and warrants to Distributor that the rights necessary to make mechanical reproductions of the music contained in the Picture on all Copies exploited by





Distributor throughout the Territory for the Agreement Term are, as specified in the music cue sheets, either (i) in the public domain in the Territory; or (ii) controlled by Licensor sufficient to allow Distributor to exploit such mechanical rights without charge in conjunction with its exploitation of the Picture in the Territory, or (iii) available by license from the local music mechanical rights society(ies) in the Territory or (iv) owned and controlled by the composer, lyricist or publisher of the music. With regard to music in categories (iii) and (iv), Distributor will be solely responsible for obtaining a license to exploit such mechanical rights from the local music mechanical rights society(ies) in the case of category (iii) and from the composer, lyricist or publisher in the case of category (iv).

**13.4. Performance:** Licensor represents and warrants to Distributor that the non-dramatic ("small") performing rights in each musical composition embodied in the Picture are, as specified in the music cue sheets: either (i) in the public domain in the Territory; or (ii) controlled by Licensor sufficient to allow Distributor to exploit the Licensed Rights without additional payment for such rights; or (iii) available by license from the local music performing rights society(ies) in the Territory or (iv) owned and controlled by the composer, lyricist or publisher of the music. With regard to music in categories (iii) and (iv), Distributor will be solely responsible for obtaining a license to exploit such performance rights from the local music performing rights society(ies) in the case of category (iii) and from the composer, lyricist or publisher in the case of category (iv).


**13.5. Publishing:** As between Licensor and Distributor, Licensor will be solely entitled to collect and retain the publisher's share of any music royalties arising from Distributor's exploitation of any Licensed Rights in the Picture.

**14. SUSPENSION AND WITHDRAWAL**

**14.1. Licensor's Right:** Licensor may suspend Delivery or withdraw the Picture by Notice to such effect at any time: (i) if Licensor determines in good faith that its exploitation might violate any Law; or (ii) due to Force Majeure.

**14.2. Effect Of Suspension:** The Agreement Term will be extended for the length of each suspension. Suspension will not be a material breach of this Agreement, and Distributor will not be entitled to any and all damages, including without limitation, direct or consequential damages (such as "lost profits") for any suspension. If any suspension extends Initial Delivery of the Picture beyond the Outside Delivery Date in the Deal Terms, then Licensor is entitled to treat the Picture immediately withdrawn on such Outside Delivery Date without the necessity of any Notice. Otherwise, if any suspension lasts more than three (3) consecutive months, then either Party may cancel this Agreement on ten (10) days' Notice, in which case the Picture will be withdrawn.

**14.3. Effect Of Withdrawal:** If the Picture is withdrawn then Licensor must promptly refund to Distributor all unrecouped amounts of the Guarantee paid to Licensor. Distributor's sole remedy will be to receive this refund. In no case may Distributor collect any damages, including but not limited to consequential damages (including "lost profits"). If during the three (3) years after the date of Licensor's Notice of withdrawal or the date the Picture is deemed withdrawn, Licensor elects to again release the Picture within the Territory, Distributor will have an exclusive right of First Negotiation to the extent the Agreement Term is still in effect to reacquire any of the Licensed Rights in the Picture within the Territory.

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14.4. Force Majeure: Force Majeure means any fire, flood, earthquake, or public disaster; embargo, riot, war, insurrection or civil unrest; any Act of God or any other cause beyond the reasonable control of either Party.

15. DEFAULT AND CANCELLATION

15.1. Distributor's Default: Distributor will be in default if: (i) Distributor fails to pay any installment of the Guarantee when due; (ii) Distributor becomes insolvent or fails to pay its debts when due; (iii) Distributor makes an assignment for the benefit of creditors, seeks relief under any bankruptcy Law or similar Law for the protection of debtors, or allows a petition of bankruptcy to be filed against it or a receiver or trustee to be appointed for substantially all of its assets that is not removed within thirty (30) days; (iv) Distributor breaches any material term, covenant or condition of this Agreement; (v) this Agreement applies to more than one Picture and Distributor breaches any material term, covenant or condition of this Agreement with respect to any Picture or all Pictures; or (vi) Distributor attempts to make any assignment, transfer, sublicense or appointment of an agent without first obtaining Licensor's approval under Paragraph 20.

15.2. Notice To Distributor: Licensor will give Distributor Notice of any claimed default. If the default is capable of cure, then Distributor will have fourteen (14) days after receipt of Licensor's Notice to cure a monetary default, and twenty-one (21) days after receipt of Licensor's Notice to cure a non-monetary default. If the default is incapable of cure, or if Distributor fails to cure within the time provided, then Licensor may proceed against Distributor for available relief, including canceling this Agreement retroactive to the date of default, suspending Delivery of the affected Picture (or for all Pictures), and declaring all unpaid amounts due to Licensor under this Agreement, including but not limited to the Guarantee, immediately due and payable, and in addition Distributor shall pay Licensor the liquidated damages in the amount equal to twice the amount of Guarantee upon Distributor's approval.

15.3. Licensor's Default: Licensor will be in default if: (i) Licensor fails to give Distributor a Notice of Initial Delivery before the Outside Delivery Date, if any, or otherwise fails to complete Initial Delivery as required; (ii) Licensor becomes insolvent or fails to pay its debts when due; (iii) Licensor makes an assignment for the benefit of creditors, or seeks relief under any bankruptcy Law or similar Law for the protection of debtors, or allows a petition of bankruptcy to be filed against it or a receiver or trustee appointed for substantially all of its assets that is not removed within thirty (30) days; or (iv) Licensor breaches any material term, covenant, or condition of this Agreement. Any default by Licensor is limited to the particular Picture affected, and no default by Licensor as to any one Picture or agreement with Distributor will be a default as to any other Picture or agreement with Distributor.

15.4. Notice To Licensor: Distributor will give Licensor Notice of any claimed default. Licensor will have fourteen (14) days after receipt of Distributor's Notice to cure a monetary default, and twenty-one (21) days after receipt to cure a non-monetary default. If Licensor fails to cure within the times provided, then Distributor may proceed against Licensor for all

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available relief, including canceling this Agreement for the affected Picture retroactive to the date of default, *provided that*, however, in no case may Distributor collect "lost profits".

15.5. **Arbitration:** Any dispute under this Agreement will be resolved by final and binding arbitration under the IFTA™ Rules For International Arbitration in effect as of the Effective Date of this Agreement ("IFTA™ Rules"). Each Party waives any right to adjudicate any dispute in any other court or forum, *except* that a Party may seek interim relief before the start of arbitration as allowed by the IFTA™ Rules. The arbitration will be held in the Forum and under the Governing Law designated in this Agreement, or, if none is designated, as determined by the IFTA™ Rules. The Parties will abide by any decision in the arbitration and any court having jurisdiction may enforce it. The Parties submit to the jurisdiction of the courts in the Forum, with respect to interim relief, to compel arbitration or to confirm an arbitration award. The Parties agree to accept service of process in accordance with the IFTA™ Rules and agree that service in accordance with the IFTA™ Rules satisfies all requirements to establish personal jurisdiction over the Parties. Both Parties waive application of the procedures for service of process pursuant to the Hague Convention for Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. Both Parties acknowledge that for an unsatisfied arbitration award that is confirmed by a court of competent jurisdiction, the prevailing Party may request that the other Party be barred from attendance at the American Film Market® in accordance with the arbitration and barring provisions of the most current AFM® Guidelines.

#### 16. ANTI-PIRACY PROVISIONS

16.1. **Copyright Notice Requirements:** Distributor will include on each Copy of the Picture distributed under its authority any copyright notice, work identifier and anti-piracy warning.

16.2. **Anti-Piracy Warning:** The anti-piracy warning must read substantially as follows:

**WARNING**

**THIS MOTION PICTURE IS PROTECTED BY LAW.**

Any unauthorized copying, distribution, performance, renting, lending, exporting, importing, dissemination or exhibition is prohibited by Law. Violators will be subject to criminal prosecution and civil penalties.

16.3. **Enforcement:** Distributor will take all reasonable steps to protect the copyright in the Picture and to prevent piracy of the Picture in the Territory. Licensor may participate in any anti-piracy action using counsel of its choice. Licensor's expenses will be reimbursed from any recovery in equal proportion with Distributor's. If Distributor fails to take anti-piracy action, Licensor may do so in Licensor's name, with all recoveries belonging to Licensor if Distributor approves.

16.4. **New Technology:** If during the Agreement Term new technology in use in the Territory inhibits the unauthorized duplication of Copies of the Picture, interferes with the reception of broadcast signals without use of an authorized decoding device, or otherwise provides protection against unauthorized exploitation of the Picture, then Distributor will use such technology in a reasonable manner in exploiting the Picture.

16.5. **No Warranty Against Piracy:** The Parties acknowledge that it is in their mutual interest to prevent piracy of the Picture in the Territory. Licensor has informed Distributor of any act of piracy of the Picture in the Territory of which Licensor is aware, and such information has been considered in determining the Guarantee along with the other terms of this Agreement. Distributor has also taken all necessary steps to inform itself of any piracy of the Picture in the Territory before executing this Agreement. No piracy of the Picture, whether occurring before or after execution of this Agreement, will allow Distributor to terminate this Agreement or reduce any amounts due to Licensor or alter the terms of exploitation including any Holdbacks. Licensor will cooperate with Distributor to prevent or remedy any such act of piracy.

17. **LICENSOR'S WARRANTIES**

17.1. **As Principal:** If the Cover Page indicates Licensor is a principal, then Licensor represents and warrants to Distributor that the following are true and correct as of the Effective Date of this Agreement:

17.1.1. Licensor has full authority and capacity to execute this Agreement and full legal and financial ability to perform all of its obligations under this Agreement;

17.1.2. There are no existing or threatened claims or litigation which would adversely affect or impair any of the Licensed Rights in the Territory during the Agreement Term;

17.1.3. Licensor has not licensed, encumbered or assigned any Licensed Right to any other Person in the Territory in a manner that would interfere with any Licensed Right, and will not do so during its applicable License Period;

17.1.4. Licensor will not exploit or authorize exploitation of any Reserved Right in the Territory before the end of the applicable Licensor Holdback period;  
; and

17.1.5. To the best of Licensor's knowledge [after due diligence], neither the Picture nor the exercise of any Licensed Rights does or will during the applicable License Period: (i) defame, or hold in a false light, or infringe any privacy or publicity or other personal right of any Person; or (ii) infringe any copyright, trademark, trade secret, right of ideas, or similar property right of any Person. To the best of Licensor's knowledge as of the Effective Date of this Agreement, no use of any of the Delivery Materials does or will infringe any patent rights of any Person.

18. **DISTRIBUTOR'S WARRANTIES**

18.1. **As Principal:** Distributor represents and warrants to Licensor that the following are true and correct and will remain so throughout the Agreement Term:

18.1.1. Distributor has full authority and capacity to execute this Agreement and full legal and financial ability to perform all of its obligations under this Agreement;

18.1.2. Distributor is the type of entity and is domiciled as indicated on the Cover Page.

18.1.3. There are no existing or threatened claims or litigation which would adversely affect or impair Distributor's ability to perform under this Agreement;

18.1.4. Distributor will honor all restrictions on the exercise of the Licensed Rights and the Allied Rights under this Agreement and will not exploit any Licensed Right outside the Territory, before the end of its Holdback, or after its License Period.

18.1.5. No authorized dubbed or subtitled version of the Picture created by Distributor does or will: (i) defame, or hold in a false light, or infringe any privacy or publicity or other personal right of any Person; or (ii) infringe any copyright, trademark, trade secret, right of ideas, or similar property right of any Person; or (iii) to the best of Distributor's knowledge at the time of its creation [after due diligence], infringe any patent rights of any Person.

18.1.6. Distributor will not exploit the Licensed Rights until it has verified that the exploitation of the License Rights conforms to any applicable laws and regulations and censorship restrictions in any form, including industry-level self regulations or timing of the segment requirements in the Territory;

18.1.7. The Distributor Created Materials will not contain technical defects and will be technically satisfactory for Licensor, and will not subject to any third party's rights, including but not limited to, liens and encumbrances, that would encumber or inhibit Licensor's use of the Distributor Created Material's pursuant to Paragraph 11.10 hereof.

18.2. As Assignor: In case of any assignment of this Agreement pursuant to Paragraph 20., Distributor makes the following additional representations and warranties to Licensor:

18.2.1. As a condition to the effectiveness of such assignment, the assignee can and will make all of the representations and warranties set forth above in Paragraph 18.1. directly to Licensor; and

18.2.2. If the assignee breaches any of those representations and warranties, then Licensor, in addition to any other right or remedy, may proceed directly against Distributor for such breach without first proceeding against such assignee or exhausting any right or remedies against such assignee.

## 19. INDEMNITIES

19.1. By Licensor: Licensor will indemnify and hold harmless Distributor, from all third party's claims, loss, liability, damages, but not including lost profits, due to breach of any of Licensor's representations or warranties, subject to Distributor's prompt notice to Licensor of any claim based on any fact that may constitute breach of Licensor's representations and warranties hereunder. Licensor will honor this indemnity despite any assignment of this Agreement.

19.2. By Distributor: Distributor will indemnify and hold harmless Licensor, from all claims, loss, liability, damages or expenses, but not including lost profits, due to breach of any of Distributor's representations or warranties, subject to Licensor's prompt notice to Distributor of any claim based on any fact that may constitute breach of Distributor's representations and warranties hereunder. Licensor shall not be held responsible for, and Distributor shall be solely responsible for, any claims for damages resulting from or in

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connection with the exploitation by Distributor of any rights permitted in the Deal Terms or any action taken by Distributor with respect to the title and/or Licensed Rights, with the only exception being Licensor's breach of representations, warranties or other agreements contained herein. Distributor will honor this indemnity despite any assignment, transfer, sublicense or appointment of an agent.

**20. ASSIGNMENT AND SUBLICENSING**

**20.1. Distributor's Limitations:** Distributor may not assign this Agreement or delegate its obligations in whole or in part, or sublicense or use an agent to exploit any Licensed Rights, whether voluntarily or involuntarily, without Notice of Licensor's prior approval in Licensor's sole discretion, and any attempted assignment in breach of this provision will be void. A transfer of a controlling interest in Distributor's capital stock or other evidence of ownership will be a transfer requiring Licensor's approval. This Agreement will be binding on any assignee, transferee, subdistributor or agent approved by Licensor but will not release Distributor from its obligations under this Agreement.

**20.2. Licensor's Rights:** Licensor may freely assign or transfer this Agreement or any of its rights under this Agreement, but no such assignment or transfer will relieve Licensor of its obligations under this Agreement, unless it is to a company which acquires all or substantially all of Licensor's assets and fully assumes all of the obligations hereunder.

**20.3. Licensor's Assignment For Financing Purposes:** If Licensor pledges this Agreement, or assigns its right to receive any payment, to a lender, completion guarantor or other Person in connection with any loan or other obligation, then Distributor will promptly on request execute a reasonable and customary notice and acknowledgment of assignment as necessary to establish or perfect the Person's interest or secure its rights. Distributor agrees to abide by consistent written instructions from Licensor and such Person in making any payments otherwise due Licensor directly to such Person. Distributor agrees not to assert any offset rights to delay, diminish or excuse the payment of any sums pledged or assigned to such Person. Instead, Distributor will treat such offsets or other rights as a separate and unrelated matter solely between Licensor and Distributor.

**21. MISCELLANEOUS PROVISIONS**

**21.1. Separability:** In a conflict between this Agreement and any material Law, the latter prevails. If any provision herein is held to be unenforceable, the remaining provisions shall be in full force and effect.

**21.2. Approvals:** Where either Party may exercise any approval, it will do so promptly and in good faith, but in so doing, a Party need not place the other Party's interests ahead of its own.

**21.3. No Waiver:** No waiver of a breach will waive any other breach. No waiver is effective unless it is contained in a record authenticated by the Party making the waiver. The exercise of any right will not waive any other right or remedy.

**21.4. Remedies Cumulative:** All remedies are cumulative, and resorting to one will not preclude resorting to any other at any time.

21.5. Notices: All Notices must be in a record authenticated by the sending Party and sent to the receiving Party at its address on the Cover Page by personal delivery, courier or registered mail. Such Notice will be effective when received or deemed received pursuant to applicable Law. Either Party may change its place for Notice by Notice duly given.

21.6. Entire Agreement: This Agreement contains the entire understanding of the Parties regarding its subject matter. It supersedes all previous written or oral negotiations, deal memos, understandings or representations between the Parties, if any. Each Party expressly waives any right to rely on such negotiations, understandings or representations, if any.

21.7. Modification: No modification of this Agreement is effective unless signed by both Parties.

21.8. Terminology: In this Agreement "and" means all possibilities, "or" means any or all possibilities in any combination, and "either...or" means only one possibility. "Including" means "including without limitation." "Must" or "will" means a Party has the obligation to act or refrain from acting; "may" means a Party has the right but not the obligation to act or refrain from acting.

21.9. Additional Documents: Upon reasonable request, each Party will execute and deliver such additional documents or instruments as are necessary to evidence, effectuate or confirm this Agreement.

21.9.1. Governing Law: This Agreement will be governed by and interpreted under the laws of the jurisdiction designated in Paragraph V.A. of the Deal Terms. If none is specified, then the Governing Law will be the Laws of Japan.

21.10. Forum: The Parties consent to the Forum designated in Paragraph V.C. of the Deal Terms as the exclusive place for resolving all disputes under this Agreement.

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**IFTA™ INTERNATIONAL  
SCHEDULE OF DEFINITIONS**

**A. Cinematic Rights Definitions:**

*Cinematic* means *Theatrical*, *NonTheatrical* and *Public Video* exploitation of a Motion Picture.

*Theatrical* means exploitation of a Motion Picture Copy only for direct exhibition in conventional or drive-in theaters, licensed as such in the place where the exhibition occurs, that are open to the general public on a regularly scheduled basis and that charge an admission fee to view the Motion Picture.

*NonTheatrical* means exploitation of a Motion Picture Copy only for direct exhibition before an audience by and at the facilities of either organizations not primarily engaged in the business of exhibiting Motion Pictures, such as in educational organizations, churches, restaurants, bars, clubs, trains, libraries, Red Cross facilities, oil rigs and oil fields, or governmental bodies such as in embassies, military bases, military vessels and other governmental facilities flying the flag of the licensed territory. *NonTheatrical* does not include Commercial Video, Public Video, Airline, Ship or Hotel exploitation.

*Public Video* means exploitation of a Motion Picture Copy embodied in a Videogram only for direct exhibition before an audience in a "mini-theater", an "MTV theater" or like establishment that charges an admission to use the viewing facility or to view the Videogram, and that is not licensed as a traditional motion picture theater in the place where the viewing occurs.

**B. PayPerView Rights Definitions**

*PayPerView* means *NonResidential PayPerView*, *Residential PayPerView* and *Demand View* exploitation of a Motion Picture. *PayPerView* does not include any form of *Pay TV* or *Free TV*, nor any form of making the Picture available over the Internet.

*Residential PayPerView* means the broadcast of a Motion Picture Copy by means of an encoded signal for television reception in homes or similar permanent living places where a charge is made to the viewer for the right to use a decoding device to view the broadcast of the Motion Picture at a time designated by the broadcaster for each viewing.

*NonResidential PayPerView* means the broadcast of a Motion Picture Copy by means of an encoded signal for television reception in hotels or similar temporary living places where a charge is made to the viewer for the right to use a decoding device to view the broadcast of the Motion Picture at a time designated by the broadcaster for each viewing.

*Demand View* means the transmission of a Motion Picture Copy by means of an encoded signal for television reception in homes and similar permanent living places where a charge is made to the viewer for the right to use a decoding device to view the Motion Picture at a time selected by the viewer for each viewing.



**C. Ancillary Rights Definitions:**

*Ancillary* means *Airline, Ship* and *Hotel* exploitation of a Motion Picture.

*Airline* means exploitation of a Motion Picture Copy only for direct exhibition in airplanes that are operated by an airline flying the flag of any country in the licensed territory for which Airline exploitation is granted, but excluding airlines that are customarily licensed from a location outside the licensed territory or that are only serviced in but do not fly the flag of a country in the licensed territory.

*Ship* means exploitation of a Motion Picture Copy only for direct exhibition in sea or ocean going vessels that are operated by a shipping line flying the flag of any country in the licensed territory for which Ship exploitation is granted, but excluding shipping lines that are customarily licensed from a location outside the licensed territory or that are only serviced in but do not fly the flag of a country in the licensed territory.

*Hotel* means exploitation of a Motion Picture Copy only for direct exhibition in temporary or permanent living places, such as hotels, motels, apartment complexes, co-operatives or condominium projects, by means of closed-circuit television systems where the telecast originates within or in the immediate vicinity of such living places.

**D. Video Rights Definitions:**

*Video* means *Home Video* and *Commercial Video* exploitation of a Motion Picture, but does not include any form of making the Motion Picture available over the Internet.

*Home Video* means *Home Video Rental* and *Home Video SellThru* exploitation of a Motion Picture.

*Home Video Rental* means exploitation of a Videogram embodying a Motion Picture that is rented to the viewer only for non-public viewing of the embodied Motion Picture in a linear form within a private living place where no admission fee is charged for such viewing.

*Home Video SellThru* means exploitation of a Videogram embodying a Motion Picture that is sold to the viewer only for non-public viewing of the embodied Motion Picture in a linear form within a private living place where no admission fee is charged for such viewing.

*Commercial Video* means direct linear exhibition before an audience of a Videogram embodying a Motion Picture at the facilities of either organizations not primarily engaged in the business of exhibiting Motion Pictures, such as in educational organizations, churches, restaurants, bars, clubs, trains, libraries, Red Cross facilities, oil rigs and oil fields, or governmental bodies such as in embassies, military bases, military vessels and other governmental facilities flying the flag of the licensed territory, but only to the extent that such exploitation is not otherwise utilized in the licensed Territory as a form of NonTheatrical exploitation. Commercial Video does not include NonTheatrical, Public Video, Airline, Ship or Hotel exploitation, nor any form of making the Picture available over the Internet.

**E. Pay TV Rights Definitions**

*Pay TV* means *Terrestrial Pay TV*, *Cable Pay TV* and *Satellite Pay TV* exploitation of a Motion Picture. *Pay TV* does not include any form of *PayPerView* nor any form of making the Picture available over the Internet.

*Terrestrial Pay TV* means over-the-air broadcast of a Motion Picture Copy by means of encoded Hertzian waves for television reception where a charge is made: (i) to viewers in private living places for use of a decoding device to view a channel that broadcasts the Motion Picture along with other programming; or (ii) to the operator of a hotel or similar temporary living place located distant from where the broadcast signal originated for use of a decoding device to receive a channel that broadcasts the Motion Picture and other programming and retransmit it throughout the temporary living place for viewing in private rooms.

*Cable Pay TV* means an originating transmission of a Motion Picture Copy by means of an encoded signal over cable for television reception where a charge is made: (i) to viewers in private living places for use of a decoding device to view a channel that transmits the Motion Picture along with other programming; or (ii) to the operator of a hotel or similar temporary living place located distant from where the broadcast signal originated for use of a decoding device to receive a channel that broadcasts the Motion Picture and other programming and retransmit it throughout the temporary living place for viewing in private rooms.

*Satellite Pay TV* means the uplink broadcast of a Motion Picture Copy by means of an encoded signal to a satellite and its downlink broadcast to terrestrial satellite reception dishes for television viewing located in the immediate vicinity of the reception dishes where a charge is made: (i) to viewers in private living places for use of a decoding device to view a channel that broadcasts the Motion Picture along with other programming; or (ii) to the operator of a hotel or similar temporary living place located distant from where the broadcast signal originated for use of a decoding device to receive a channel that broadcasts the Motion Picture and other programming and retransmit it throughout the temporary living place for viewing in private rooms.

**F. Free TV Rights Definitions:**

*Free TV* means *Terrestrial Free TV*, *Cable Free TV*, and *Satellite Free TV* exploitation of a Motion Picture. *Free TV* does not include any form of *PayPerView*, nor any form of making the Picture available over the Internet.

*Terrestrial Free TV* means over-the-air broadcast by Hertzian waves of a Motion Picture Copy for television reception in private living places without a charge to the viewer for the privilege of viewing the Motion Picture, *provided that* for this purpose government television assessments or taxes (but not a charge for *PayPerView* or *Pay TV*) will not be deemed a charge to the viewer.

*Cable Free TV* means the originating transmission by coaxial or fiber-optic cable of a Motion Picture Copy for television reception in private living places without a charge to the viewer for the privilege of viewing the Motion Picture, *provided that* for this purpose neither government television assessments or taxes nor the regular periodic service charges (but not a charge for

PayPerView or Pay TV) paid by a subscriber to a cable television system will be deemed a charge to the viewer.

*Satellite Free TV* means the uplink broadcast to a satellite and its downlink broadcast to terrestrial satellite reception dishes of a Motion Picture Copy for television viewing in private living places located in the immediate vicinity of a viewer's reception dish without a charge to the viewer for the privilege of viewing the Motion Picture, *provided that* for this purpose government satellite dish or television assessments or taxes (but not a charge for PayPerView or Pay TV) will not be deemed a charge to the viewer.

**G. Internet Rights Definitions:**

*Internet Rights* means *Internet Downloading* or *Internet Streaming* exploitation of a Motion Picture. *Internet Rights* do not include any form of *PayPerView*, *Video*, *Pay-TV* or *Free TV* exploitation of a Motion Picture.

*Internet Downloading* means exploitation of a digital Motion Picture Copy by making it available on the World Wide Web portion of the Internet in a manner that allows its transmission to a Computer for making another exact digital copy of the Motion Picture Copy and retaining the new digital copy for use for more than a transient period of time after completion of the initial continuous period of transmission. *Internet Downloading* does not include any form of *Internet Streaming*.

*Internet Streaming* means exploitation of a digital Motion Picture Copy by making it available on the World Wide Web portion of the Internet in a manner that allows continuous viewing of the Motion Picture Copy on a Computer in a substantially linear form substantially simultaneously with the transmission of such Motion Picture Copy over the Internet but which does not allow making another digital copy except for a transient period of time necessary to facilitate such viewing. *Internet Streaming* does not include any form of *Internet Downloading*.

*Internet Streaming/Downloading* means exploitation of a digital Motion Picture Copy by making it available on the World Wide Web portion of the Internet for both *Internet Downloading* and *Internet Streaming* at substantially the same time.

**H. Video Use Definitions:**

*Cassette* means the same as *VideoCassette*.

*CD* means a *Compact Disc*.

*Compact Disc* means a combined optical and electronic analog storage device designed to be used in conjunction with an electronic device that causes a Motion Picture to be visible on the screen of a computer monitor or television for private viewing in a substantially linear manner.

A *Compact Disc* does not include any type of *VideoDisc* or *DVD*.

*Disc* means an electronic storage device designed to be used in conjunction with an electronic device or a computer that causes a Motion Picture to be visible on the screen of a television or computer monitor for private viewing in a substantially linear manner. A *Disc* includes a *VideoDisc*, *Compact Disc* or a *DVD*, but not a *VideoCassette*.

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*DVD* means a digitally encoded electronic storage device that conforms to one of the following: (1) the DVD Specification for Read-Only Disc, version 1 (August 1996) or its successor, (2) the DVD Multi Specification for Read-Only Disc, version 1 (June 2001) or its successor, or (3) the HD DVD Specification for Read-Only Disc, version 1 (September 2005) or its successor, and that is designed for use in conjunction with an electronic device or computer in a way that causes a Motion Picture to be visible for private viewing on the screen of a computer monitor or television. DVD includes Digital Versatile Discs, High Definition DVDs, and related DVD enabled peripherals such as DVD-ROM devices and DVD-RAM devices, but does not include any type of Compact Disc or VideoDisc.

*Laser Disc* is a type of VideoDisc.

*VCD* means Video Compact Disc.

*Video Compact Disc* means a type of compressed analog VideoDisc designed to be used solely on a special purpose electronic device that is solely dedicated for private viewing of a Motion Picture on the screen of a television in a substantially linear manner.

*VideoCassette* means a VHS or Beta cassette or comparable analog magnetic storage device designed to be used with a reproduction apparatus that causes a Motion Picture to be visible on a television screen for private viewing in a substantially linear manner. A VideoCassette does not include any type of VideoDisc or Compact Disc or DVD.

*Videogram* means any type of VideoCassette, Compact Disc, Disc, DVD or VideoDisc, but only to the extent use of the specific type of electronic storage device is authorized in the Agreement by the Parties.

*VideoDisc* means a laser or capacitance disc or comparable analog optical or mechanical storage device designed to be used with a reproduction apparatus that causes a Motion Picture to be visible on a television screen for private viewing in a substantially linear manner. A VideoDisc does not include any type of Compact Disc or DVD.

#### L. Internet Use Definitions:

*Advertiser Supported* means making a Motion Picture Copy available on the World Wide Web portion of the Internet for accessing, downloading or streaming, by either: (i) including trailers, commercials or other advertising before, after, or within the continuity of the Motion Picture Copy; or (ii) including banners, logos, icons, text, hyper-text, meta-tags, symbols or other identifying information of a product or service or a supplier of such product or service provider on the same web page as the Motion Picture Copy or any of its elements or identifying information.

*Limited Use* means authorizing accessing, streaming or downloading, as applicable, of a Motion Picture Copy on the World Wide Web portion of the Internet by a user who is required to pay a separate fee to obtain a limited right to use a new digital copy of a Motion Picture Copy that may be accessed and viewed, but not further copied, subject to express limitations as to either the number of accesses or viewings, the period of access or viewing, or both (e.g. unlimited viewing for x days, or x viewings maximum, or x viewings within y days).

*Permanent Use* means authorizing downloading of a Motion Picture Copy on the World

Wide Web portion of the Internet by a user who is required to pay a separate fee to obtain ownership of new digital copy of the Motion Picture Copy which new copy may be used and viewed, but not further copied, without express limitations as to the number of uses and viewings and the time period of so doing.

*Single Use* means authorizing accessing, streaming or downloading, as applicable, of a Motion Picture Copy on the World Wide Web portion of the Internet by a user who is required to pay a separate fee for each single act of accessing, streaming or downloading the Motion Picture Copy in whole or in part.

*Subscription Use* means authorizing accessing, streaming or downloading, as applicable, of a Motion Picture Copy on the World Wide Web portion of the Internet by a user who is required to pay a set fee for a specified period to access, stream or download, as applicable, the embodied Motion Picture along with other Motion Pictures available in the same manner on the same web site.

**J. Other Rights Definitions:**

*Compact Disc Interactive* when used as a Right is a type of Interactive Multimedia Right and when used to describe a Work is a type of Interactive Multimedia Work.

*CDI* means the same as Compact Disc Interactive.


*Dubbed* means a Version of the Motion Picture in which the voices of performers on the original soundtrack are replaced with the voices of other performers speaking dialogue in an Authorized Language.

*Interactive Multimedia* means exploitation of an Interactive Multimedia Work by means of a computing device that allows the Interactive Multimedia Work to be directly perceived and manipulated by the user of the computing device and that either stores the Interactive Multimedia Work on the user's computing device or accesses a Copy of the Interactive Multimedia Work by electronic means from another computing device interconnected with and located in the immediate vicinity of the user's computing device.

*Interactive Networked Multimedia* means exploitation of an Interactive Multimedia Work over the facilities of a communications system that allows the user of a computing device to engage in two-way transmissions over the system to access the Interactive Multimedia Work, irrespective of the operator of the system or the means by which signals are carried, and that stores a Copy of the Interactive Multimedia Work for transmission over the system at a place distant from the place where the user's computing device is located.

*Interactive Multimedia Work* means a Work consisting primarily of a presentation communicated to a user through the combination of two or more media of expression, whether textual, audio, pictorial, graphical or audiovisual, where a significant characteristic of the presentation is the ability of the user to manipulate the content of the presentation by means of a computing device in real time and in a nonlinear fashion.

*Live Performance* means performance of a Motion Picture or its Underlying Material by live players, whether by reading, performance, musico-dramatic rendition or pantomime, where the performance occurs directly before a live audience or is broadcast live and without

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prerecorded material directly to the public, but excluding performances less than fifteen (15) minutes in length done for the purpose of advertising or publicizing the Motion Picture.

*Mail Order* means Home Video SellThru exploitation in which the sale occurs by placing an order for and receiving delivery of the Videogram through use of the postal service or other shipping service and not at a retail establishment. Ordering a Videogram over the telephone or through the Internet is not Mail Order.

*Merchandising* means distribution and sale of tangible goods, other than Copies of a Motion Picture or any of its Versions, that are based on or utilize the title of the Picture, the names, likenesses or characteristics of artists in their roles in a Motion Picture, or physical materials appearing in or used for a Motion Picture and that are made for sale to the general public. Merchandising does not include Interactive Multimedia, Interactive Networked Multimedia, Internet or Publishing rights.

*Near-Demand View* means multiple regularly scheduled transmissions in a short time period of a Motion Picture Copy by means of an encoded signal for television reception in homes and similar permanent living places where a charge is made to the viewer for the right to use a decoding device to view the Motion Picture at one of the scheduled transmission times selected by the viewer for each viewing.

*Near Video-On-Demand* means Near-Demand View

*NVOD* means Near Video-On-Demand or Near-Demand View.

*Parallel Tracked* means embodying a Copy of the Original Language Version of the Picture in a Compact Disc or DVD that also contains a Dubbed or Subtitled Version of the Picture in the Authorized Language Uses.

*Pay-Cable TV* means the same as Cable Pay TV.

*Publishing* means exploitation of hard cover or soft cover printed publications of a novelization of a Motion Picture or artwork, logos or photographic stills created for use in the Motion Picture that are included in such novelization.

*Subtitled* means a Version of the Picture in which a translation of the original dialogue appears on the bottom of the screen.

*VOD* means Video-On-Demand

*Video-on-Demand* means the same as *Demand View*.

#### K. Additional Definitions:

*Affiliate* means any Person, including any officer, director, employee or partner of a Person controlled by, controlling or under common control with a Party.

*Authorized Format* means the formats for which the Licensor has authorized the Motion Picture to be exploited.

*Availability Date* means the first day after the end of the Holdback Period for a Licensed Right. If the Availability Date refers to a category of Licensed Rights, it refers to the first date on which Distributor may exploit any Licensed Right in the category. For example, the Pay



TV Availability Date is the first date on which Distributor may exploit the Pay TV Terrestrial, Pay TV Cable or Pay TV Satellite Right.

*Broadcast* means the communication to the public of a Motion Picture by means of wire, cable, wireless diffusion or radio waves, terrestrially or by satellite, that allows the Motion Picture to be viewed on a television. Broadcast means the same as telecast or diffusion.

*Compulsory Administration* means any Law under which: (i) Simultaneous Retransmissions are subject to compulsory license; (ii) systems or other Persons may simultaneously retransmit such Simultaneous Retransmissions without first obtaining direct authorization from rightsholders or Persons making originating broadcasts; or (iii) rightsholders may only grant or withhold authorization for Simultaneous Retransmissions remunerated through collective management societies, collective contractual agreements or local Law.

*Copy* means the embodiment of a Motion Picture in any form, including film, tape, cassette, disc or digital file. Where a specific Licensed Right is limited to exploitation in an Authorized Format (for example, to Videograms), then Copy with respect to such Licensed Right is limited to such Authorized Format. *Exhibition* means the same as public performance.

*First English Release* means, with respect to each Licensed Right, the date on which a Motion Picture is first made available to the public through the exercise of such Licensed Right in the major country within the Region whose recognized official language is English or, if there is no such country in the Region, in the United States

*First Release* means the earliest of: (i) the date on which the Motion Picture must be released as designated in the Deal Terms; or (ii) the date on which the Picture is first made generally available to the paying public in the Territory, either through exhibition in cinemas, sale of Videograms, or telecast; or (iii) six (6) months after Notice of Initial Delivery.

*First Theatrical Release* means the date on which the Motion Picture is first made generally available to the paying public in cinemas in the Territory, excluding festival and awards screenings.

*First Video Release* means the date on which Videograms embodying the Motion Picture is first made generally available for sale to or rental by the paying public in the Territory.

*First Negotiation* means, provided that Distributor is then actively engaged in the distribution business on a financially secure basis, Licensor will negotiate exclusively with Distributor in good faith for a period of ten (10) days after receipt of Notice by Licensor regarding the matter for which Distributor has a First Negotiation right before entering into negotiations regarding the matter with any other Person. If no agreement is reached within this time period, then Licensor will be free to stop negotiations with Distributor and then to negotiate and conclude an agreement regarding the proposed matter with any other Person on any terms.

*Licensed Channel* means a specific television channel transmitting as an identified broadcast service and designated in the Deal Terms.

*Licensed Telecasts* means the total number of Authorized Runs and Playdates specified in the Deal Terms.

*Law* means any statute or ordinance, whether municipal, state, national or territorial, any executive, administrative or judicial regulation, order, judgment or decree, any treaty or international convention, or any rule, custom or practice with force of law.

*Local Language(s)* mean the primary language(s) spoken in each country of the Territory.

*Motion Picture* means an audiovisual work consisting of a series of related images that, when shown in succession, impart an impression of motion, with accompanying sounds, if any.

*Original Language* means the primary language spoken in the dialogue of a Motion Picture in its original version.

*Outside Release Date* means the date on which Distributor must release the Picture in the First Release Medium, if so specified in the Deal Terms.

*Party* means either Licensor or Distributor.

*Person* means any natural person or legal entity.

*Playdate* means one or more telecasts of the Picture during a twenty-four (24) hour period over the non-overlapping telecast facilities of an authorized telecaster such that the Picture is only capable of reception on televisions within the reception zone of such telecaster during such period.

*Principal Photography* means the actual photographing of a Motion Picture, excluding second-unit photography or special effects photography, requiring the participation of the director and the on-camera participation of a featured member of the principal cast.

*MultiPlexing* means transmission of a Motion Picture over related broadcast channels supplied by the same broadcaster or pay service.

*Remake* means a new Motion Picture derived from an existing Motion Picture or its Underlying Material in which substantially the same characters and events as shown in the existing Motion Picture are depicted.

*Rights* means rights, licenses and privileges under copyright, trademark, neighboring rights or other intellectual property rights with regard to any type of exploitation of a Motion Picture or its Underlying Material, including the rights to duplicate, adapt, distribute, perform, display and make available in accordance with the customary requirements of each specific licensed media.

*Rights Management Information* means any information embodied, attached, related or appearing in or on a Motion Picture Copy that may include a copyright notice or other identifier, that identifies the copyright owner, producer, author, writer, director, performers or other Persons who have contributed to the making of the Motion Picture, or that describes any authorized terms and conditions for licensing or use of the Motion Picture or the Motion Picture Copy.

*Run* means one (1) telecast of the Motion Picture during a twenty-four (24) hour period over the non-overlapping telecast facilities of an authorized telecaster such that the Picture is only capable of television reception within the reception zone of such telecaster once during



such period. A simultaneous telecast over several interconnected local stations (i.e. on a network) constitutes one (1) telecast; a telecast over non-interconnected local stations whose signal reception areas do not overlap constitutes a telecast in each station's local broadcast area.

*Sequel* means a new Motion Picture derived from an existing Motion Picture or its Underlying Material in which a character, event or locale depicted in the existing Motion Picture or its Underlying Material is shown engaged in or as the subject of substantially new and different events than those depicted in the existing Motion Picture.

*Simultaneous Retransmission* means the simultaneous, unaltered and unabridged retransmission by an operator other than the licensed broadcaster of a Motion Picture by cable, microwave or telephone system for reception by the public of an initial transmission..

*Underlying Material* means the literary and other material from which a Motion Picture is derived or on which it is based, including all versions of the screenplay, all notes, memos, direction, comments, ideas, stage business and other material incorporated in any version of the Motion Picture, and, to the extent necessary rights and licenses have been duly obtained, all existing novels, stories, plays, songs, events, characters, ideas, or other works from which any version of the Motion Picture is derived or on which it is based.

*Version* means an adaptation of a Motion Picture that is not accomplished by merely mechanical reproduction or use of minimal originality but instead uses original artistic or intellectual expression to create a new Work in its own right which contains materials or expressions of authorship not found in the original Motion Picture.

*Work* means an original expression of authorship in the literary, scientific or artistic domain whatever may be the mode or form of its expression.

**L. Additional Internet Rights Terminology**

*Access (access)* means to make available a Motion Picture Copy on the Internet in a manner that allows a user to copy, view, stream, download or use, or to obtain data or information about or related to, the Motion Picture Copy or its embodied Motion Picture. *Access* includes *accessing*.

*Computer* means an electronic device that accepts a Motion Picture Copy in digital form and allows its viewing or manipulation in response to a sequence of instructions where the type and order of the instructions can be defined, selected and entered by the user of the Computer. A Computer includes desktops, notebooks and laptops and excludes VCR, DVR, DVD, set top box players or recorders and Handheld Devices.

*Digital Rights Management* means a sequence of software or hardware instructions embodied in, related to or activated by a Motion Picture Copy that controls or manages copying, viewing, altering, or accessing the Motion Picture, its content or elements or associated Rights Management Information.

*Download (download)* means to make available a Motion Picture Copy on the Internet in a manner that allows its transmission to a Computer for making another exact digital copy of

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the Motion Picture Copy and retaining such copy for use for more than a transient period of time after completion of the initial continuous period of transmission. *Download* includes *downloading*.

*DRM* means *Digital Rights Management*.

*Handheld Device* means a mobile electronic device a substantial purpose of which is facilitating telephonic or text communication, digital photography or data storage and which customarily fits in a human hand, and which incorporates functionality that allows viewing of a Motion Picture Copy. *Handheld Device* includes personal mobile phones, personal digital assistants and other similar devices, but does not include a Computer.

*Internet* means the interconnected facilities of a publicly available packet-switching communications system that allows the user of a computing device to engage in two-way transmissions over the system through which the user obtains access to a Motion Picture Copy stored in digital form at a place distant from the place where the user's computing device is located.

*Stream (stream)* means to make available a Motion Picture Copy on the Internet in a manner that allows continuous viewing of the Motion Picture Copy in substantially linear form on a Computer simultaneously with the transmission of such Motion Picture Copy over the Internet but which does not allow making another digital copy except for a transient period of time necessary to facilitate such viewing. *Stream* includes *streaming*.

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