

General Terms and Conditions of Sale and Delivery for the private limited company Scala Agenturen BV and Intex Nederland BV, all having their registered office under their Articles of Association and principal place of business in Almere at Rondebeltweg 2, also trading under the trade names Videorama and Gold Medal, Chick Production, House of Amsterdam, Eighteen, Renate Buccone, Zigotti.

Registered with the Amsterdam Chamber of Commerce under number 127403
Filed with the Registry of the District Court in Amsterdam on 24-01-2003, number 10/2003

I. General

a. These terms and conditions are applicable to all Scala's quotations and agreements, whether verbal or written, unless explicitly otherwise agreed in writing, and apply to all obligations entered into by Scala in connection with the object of Scala's companies, explicitly including the purchase and sale of, trade in, distribution and similar of videos/DVDs, films, magazines, articles, copyrights and similar, all in the broadest sense of the word.

b. Scala's quotations are free of obligation and indivisible, unless the contrary has been explicitly agreed in writing.

Orders are only binding on Scala once confirmed in writing, while purchasers are bound by their orders once placed.

c. Once an order has been accepted, terms and conditions - of purchase or otherwise - stipulated by clients shall only be binding on Scala inasmuch as they do not differ from or conflict with these terms and conditions.

In the event of a conflict between these terms and conditions and clients', these terms and conditions shall take precedence, unless Scala has confirmed in writing that the client's terms and conditions take precedence.

d. In the event of amendment of these terms and conditions in the interim, the amended version of these terms and conditions shall form a part of each agreement which shall come into effect between the vendor and purchaser after the moment the amendment comes into effect, in the event that the client does not reject the applicability of the new terms and conditions in writing within 30 days of the new terms and conditions being sent. In the event of rejection as referred to in this article, the current terms and conditions shall remain applicable until agreement has been reached between Scala and the client on the full applicability of the new general terms and conditions.

II. Offer, formation of agreements, revocation

All agreements are formed by acceptance by Scala's client of an offer / quotation issued by Scala.

Scala can revoke quotations and offers immediately after acceptance of Scala's offer, or tacitly in the event that the quotation is not accepted by the client within the period stated in the quotation.

III Amendments and additions

Amendments and additions to any provisions in an agreement may only be agreed in writing. In the event of an amendment and/or addition, as referred to in this article, it is agreed that said amendment or addition shall only apply to the agreement in question, unless otherwise explicitly agreed.

IV. Prices

a. The prices and price estimates, as shown in price lists, circulars, advertisements, letters or elsewhere, are at all times free of obligation.

In the event that materials prices, wages, freight costs, insurance premiums, taxes, currency rates and/or other price-influencing factors increase more than three months after the agreement comes into effect, the prices may be raised by the same amount.

If Scala wishes to raise the price within three months of entering into the agreement, at Scala's discretion, Scala shall give notice of said price rise to the client, which will then have the right to cancel the agreement if it wishes.

b. Images, drawings, measurements and weights, etc., stated by Scala in catalogues or elsewhere are not binding on Scala and are only intended to provide a general impression of Scala's range. Any deviations from these therefore do not entitle the client to cancel the order, unless the deviations are of such an extent that the products do not comply whatsoever with the information provided by Scala, which shall be determined between Scala and the client in consultation.

c. Clients purchasing Scala's goods enter into the obligation to comply with any conditions set by Scala.

d. Orders received from new purchasers shall only be accepted on condition of creditworthiness, as shown from information received.

e. All prices are normally shown in euros and are exclusive of BTW (Dutch VAT).

V. Delivery/transport

a. Unless otherwise agreed in writing, the costs for transporting Scala's goods to the delivery address provided by the purchaser shall be borne by the purchaser.

b. The place of delivery shall be deemed to be the delivery address indicated by the purchaser, irrespective of whether the order has been sold or agreed to be free freight, F.O.B., C.I.F. or any other equivalent or comparable condition.

In the event that nothing has been agreed concerning the transport and the purchaser fails to arrange transport in good time, the place of delivery shall be the place at which the goods are located at the time of sale.

c. From the moment of shipment, the products are transported at the client's / purchaser's risk. Even if freight-paid delivery has been agreed, the client / purchaser shall be liable for all damage (such as transport, fire and water damage, theft or misappropriation) suffered by the goods during transportation.

Liability for damage shall be borne by Scala in the event that the damage is the result of gross negligence or intent on Scala's part.

Under no circumstances may Scala be held liable for an attributable shortcoming on the part of the haulier. Scala shall be fully discharged if Scala has transferred its rights vis-à-vis the haulier to the purchaser. Unless explicitly otherwise agreed, Scala shall be entitled to charge the transport costs to the purchaser.

d. Once an order has been accepted, Scala shall determine the planned delivery date for each product, and shall implement any amendments in line with the applicable delivery sequence. The delivery date may be amended by Scala, including at the request of the client / purchaser, as appropriate, within reasonable limits.

e. Stated delivery times shall at no time be deemed to be strict deadlines, unless explicitly otherwise agreed in writing. In the event of late delivery, therefore, written notice of default must be served to Scala.

f. All terms and conditions of delivery are free of obligation on Scala, and are based on the circumstances applicable to Scala at the time the agreement is entered into, and inasmuch as they are dependent on the performance of third parties, on the information provided by said third parties, while the delivery date shall be observed by Scala as much as possible, on the understanding that in the event that the delivery period is exceeded by more than three months, the client shall be entitled to request dissolution of the agreement. The client shall not have such a right if the client itself is in default.

The delivery period shall commence on the date on which the agreement comes into effect as referred to above under Article II.

In the event that the stated delivery period is exceeded, the client shall not be entitled to any claim for a penalty and/or compensation for loss, in the event that the client is or could have been insured against the loss in question. In the event that it becomes apparent that such insurance is or was not possible, the level of the compensation for loss which the client must prove shall be limited to the invoice amount for the goods which could not be delivered within the stated period. Scala shall furthermore at all

times be entitled to make partial deliveries.

g. In the event that the client remains in default of payment of a debt to Scala - for any reason whatsoever - Scala shall be entitled to postpone implementation of an order until such a time as payment has taken place, to refuse to carry out further deliveries and/or to amend the terms and conditions for payment.

h. In the event of non-purchase or late purchase of goods by the purchaser, Scala shall provide the purchaser for a maximum period of five days with the opportunity to purchase / collect the goods from the location at which Scala have stored them at the expense and risk of the purchaser.

All costs incurred by Scala as a result of the non-purchase or late purchase shall be borne by the purchaser. In the event that the purchaser does not purchase the goods within the five-working-day period, Scala shall be entitled to demand compliance with the agreement, or to declare the agreement dissolved without judicial intervention, without prejudice to Scala's right to claim, in addition, full compensation for loss from the purchaser.

i. Transportation of the goods shall be at the expense and risk of the purchaser, unless the delivery conditions are 'free delivery / free to border', which condition must be agreed in writing.

The shipping method shall be determined by Scala. In the event that the purchaser requests a different shipping method, in good time, any shipping costs for the method desired by the purchaser shall be borne by the purchaser.

j. The packaging materials provided by Scala shall be at the purchaser's expense and risk as of the moment of delivery.

k. The purchaser may not make any claim for damage resulting from careless opening of the packaging.

l. In the event of an intra-community delivery subject to 0% VAT (as referred to in Article 28 (a) European Council directive 91/680/EEC), and in the event that the purchaser is arranging the transport, the purchaser shall notify Scala in good time in writing before the delivery date of the VAT number used by the purchaser for each separate transaction, and indicate whether the goods are to be transported by or on behalf of the purchaser to another EU member state. In the event that Scala, in situations as described above, is satisfied that the client has shown sufficiently that 0% VAT should be invoiced, the purchaser shall submit to Scala at the earliest opportunity documents showing that the goods were actually transported to another EU member state. The purchaser shall be liable for any VAT, surcharges and fines owed by Scala in the event that said documents are not received by Scala in good time. In the event that the VAT number cannot be verified by the tax authorities in time, or that the tax authorities ascertain that the VAT number cannot be used, the delivery shall be deemed to have been made within the Netherlands, and VAT charged accordingly.

In the event that Scala is arranging the transport and the tax authorities determine that Scala has provided insufficient evidence that the goods have left the EU member state

of origin, the purchaser shall make every effort to provide satisfactory evidence.

m. At the purchaser's request - and if Scala deems that it can reasonably meet such a request - Scala shall draw up an accompanying document (AGD) for transport of the goods to a bonded warehouse indicated by the purchaser, or to a registered or non-registered company. Before the accompanying document is drawn up, the purchaser shall notify Scala of the name of the person or persons authorised to sign for receipt of the goods, and shall supply copies of the signature(s), as well as the excise number.

n. In the event of FOB/FCA delivery, the purchaser shall be liable for all taxes, levies, surcharges and fines resulting from breaches or irregularities during transport or receipt of the goods by the addressee of the accompanying document.

o. In the event of CIF/CFR delivery, the purchaser shall be liable for all taxes, levies and fines resulting from shortfalls on receipt of the goods by the addressee of the accompanying document. The purchaser is also obliged to return to Scala the return shipment copy of the accompanying document, signed by the authorised person.

Purchasers of Scala's products are wholly responsible with regard to the various international laws and regulations covering the import and export of goods to countries outside the Netherlands. Scala accepts no liability whatsoever in the matter. Scala is in no way responsible for any parallel import by its clients. In as much as it has been irrevocably determined in law or by means of a contractual commitment agreement that Scala has been responsible for unlawful export/parallel import, its liability shall be limited to a maximum of the level of the invoice amount for the goods in question.

VI. Payment

a. Scala is entitled to invoice each partial delivery separately.

b. Payment shall take place no later than 30 days after invoice date, without discount or setting off of debts.

In the event of late payment after 30 days, Scala shall be entitled to charge the purchaser the legal rate of interest plus 2% per annum or part thereof from the due date on the full invoice amount.

In the event of payment by bank/Postbank transfer, the date of payment shall be deemed to be the date on which our accounts are credited.

Furthermore, in the event that Scala transfers its claims to third parties, the purchaser shall be liable for all collection costs, set at a minimum of 15% of the amount owed, not including interest, with a minimum of 250 euros and, in any case, a minimum of the applicable lawyers fees set and published by the Governing Council of the Netherlands Bar, plus judicial expenses, including the costs of applying for bankruptcy (with a minimum of 250 euros).

c. In the event of a change in the currency exchange rate after the agreement comes into effect, Scala shall be entitled to invoice the purchaser for any negative effects thereof on Scala.

VII. Complaints/exonerations

a. Complaints by the purchaser can only be accepted if they are made to Scala within 8 days of delivery in writing, and the complaints are described clearly.

In the event, however, that the complaint relates to hidden defects which could only be discovered during use by the consumer, the complaint may only be accepted in the event that it is made to the vendor in writing within 8 days of the defect being brought to the purchaser's attention, or of the date on which the purchaser should reasonably have ascertained the defect.

b. Return shipments shall only be permitted following prior consultation, and such shipments must be accompanied by a return slip, stating the date and number of the invoice under which the goods were invoiced. Return-shipped goods not accompanied by a return slip will be refused.

Return goods must be returned freight paid within 8 days.

c. With the exception of the above-mentioned complaint option, Scala can at no time be held liable for any subsequent injury or damage, directly or indirectly, to the staff, goods or business of the purchaser and/or third parties.

d. At no time can Scala be held liable for the consequences of incorrect and/or improper use of the goods supplied by Scala, nor for the consequences of use other than that described in and/or contrary to that stated in recommendations/instructions issued by Scala.

The recommendations/instructions issued by Scala shall under no circumstances release clients from the obligation to inspect the products supplied by Scala in terms of suitability for their intended use.

In all cases, the client in question shall be required to show that the goods supplied by Scala have been used correctly and/or properly and/or in accordance with the instructions issued by Scala and after a careful inspection by the client.

e. Products purchased by Scala which contain erotic images of any kind shall comply with national and international laws and social standards; in any event the producers of images of any kind, magazines, videos, DVDs, etc., shall ensure that the persons in said images have given their written permission and are a minimum of 18 years of age.

At Scala's first request, said producers shall make available to Scala the model releases; producers shall establish the validity of said model releases on the basis of valid identity papers and in any event shall hold copies of said identity papers on file.

f. In the event of a breach of copyright or in the event of models who have not given their permission and/or are younger than 18, the producer shall be wholly liable for losses which may be incurred by Scala or its clients, whereas Scala may only be held liable to compensate its clients for loss inasmuch as it can recover the losses from the producers, or if this is not possible, up to a maximum of the invoice amount for the goods in question.

VIII. Product liability

a. Products purchased by Scala which are intended for use, in the broadest sense of the word, must at all times comply with national and international regulations governing certification and materials. The producer shall be deemed to be familiar with certification requirements and any raw materials which are prohibited and/or hazardous to the consumer. These requirements apply both nationally and internationally; the producer shall be deemed to be familiar with EU regulations.

In the event that Scala receives notification from national or international authorities, such as the environmental inspectorate, Economic Surveillance Department, Inspectorate for Consumer Goods, Customs officials or other government officials that the products contain prohibited materials or that the documents or products do not comply, in other ways, with current regulations, Scala shall be entitled to return the shipments ordered at the cost of the producer/shipper; the party/producer which did not take said regulations into account shall compensate Scala for the losses and costs involved, including subsequent losses in the broadest sense of the word.

Scala can only be held liable for defective products and/or incorrect materials supplied by Scala in the event that this has been established irrevocably in court, up to a maximum of the invoice amount.

IX. Retention of title

a. Until such a time as the producer has paid in full for the supplied goods, including all additional costs and settlement items, the goods shall remain the property of Scala, and Scala reserves the right to repossess said goods without prior notification.

The goods supplied by Scala shall also remain the property of Scala in the event of supply on credit or in the event of other debts owed by the purchaser, until such a time as the credit has been repaid in full or the other claims have been settled in full.

b. In the context of this retention of title, all deliveries made by Scala shall be deemed a single delivery, even those made under different orders, so that title to goods for which the invoices have already been settled shall remain the property of Scala until such a time as the goods delivered by Scala have been paid in full by the purchaser.

c. Until such a time as title to the goods has been transferred to the purchaser, the purchaser may not pledge the goods or grant any right thereto to a third party, except in the case of the provision of paragraph g. of this article.

d. Scala reserves the right of pledge, now for then, on delivered goods, title to which has passed to the purchaser and are still in the purchaser's possession, as referred to in Section 3:237 of the Dutch Civil Code, for the purpose of obtaining security for claims, other than that stated in Section 3:92 paragraph 2 of the Dutch Civil Code, which Scala may have against the purchaser by any virtue whatsoever.

e. The purchaser shall keep the goods supplied under retention of title with due care, and ensure that the goods are clearly recognisable as the property of Scala. For the duration of the title retention, the purchaser shall keep the goods insured against the risk of fire, explosion and water damage and to make the policies available to Scala for inspection at Scala's first request.

All claims by the purchaser on the insurers of the goods under said insurance policies shall be pledged to Scala, as soon as Scala indicates that it wishes the purchaser to do so, in the manner stated in Section 3:239 of the Dutch Civil Code, for the provision of further security for our claims against the purchaser.

f. In the event that the purchaser fails to comply with its payment obligations to Scala, or Scala has grounds to believe that the purchaser will fail to comply with said obligations, Scala shall be entitled to repossess the goods supplied under retention of title. Any partial crediting of the purchaser shall take place at the market value, which under no circumstances shall be greater than the original purchase price, less the costs of repossession.

g. The purchaser is permitted to sell and transfer to third parties the goods supplied under retention of title, in the context of the purchaser's normal business. In the case of sale on credit, the purchaser shall be obliged to stipulate a retention of title to its clients, on the basis of the provision of this article. The purchaser also enters into the obligation not to assign or pledge to third parties any claims which it may have against its clients, without Scala's prior written permission. The purchaser also enters into the obligation to pledge said claims to Scala, at Scala's request, in the manner indicated in Section 3:239 of the Dutch Civil Code, for the provision of further security for Scala's claims against the purchaser, by any virtue whatsoever.

h. In the event that Scala cannot exercise its rights under the retention of title, the purchaser shall owe Scala an immediately payable penalty of 10% of the principal amount owed by the purchaser to Scala, with a minimum of 250 euros per day or part of a day that the purchaser is in default of compliance with its obligation and shall give Scala the opportunity to exercise its right under the retention of title, all the above without prejudice to Scala's other rights arising from the agreement entered into with the purchaser, the law and these terms and conditions.

X. Force Majeure

a. In the event that Scala is unable to deliver due to circumstances beyond its

control, Scala shall be entitled to decide whether the agreed delivery period shall be extended by the period of *force majeure* or to cancel the agreement or the part thereof not implemented up to that point.

b. The term *force majeure* shall be deemed to include every circumstance as a result of which fulfilment of an agreement cannot reasonably be expected of Scala, including war, impending war, mobilisation, civil unrest, a state of siege, labour strike, accident or illness of staff, fire, interruption of business, reduction of production capacity, lack of raw materials or packaging materials, use of incorrect materials, transport delays, import restrictions or other government regulations, all irrespective of whether these circumstances occur in Scala's company or in another company involved directly or indirectly in the implementation of the agreement.

The term *force majeure* shall also be deemed to include non-delivery by foreign companies for reason outside Scala's control.

General liability

In the event that Scala fails to fulfil an obligation fully, promptly or properly, and is fully liable in the matter, the purchaser shall be entitled to compensation for loss up to a maximum of the invoice amount for the goods delivered.

In the event that the product does not comply with the agreed specification, Scala shall be entitled - contrary to that stated above - to make a replacement product available to the purchaser, inasmuch as this would not be unacceptable in the given circumstances, according to standards of reasonableness and equitability. Scala can under no circumstances be held liable, however, for consequential loss, including loss of profits.

The purchaser shall indemnify Scala against claims relating to losses for which Scala is not liable within its relationship with the purchaser.

Services, information and advice, for example relating to use of the product, shall be provided by Scala to the best of its knowledge, taking into account the results of any research carried out and experience with the product. Nevertheless, the same limitations of liability shall apply as are stated in 3.a.

XI. Proprietary rights / copyrights

a. In the event that Scala commissions the design and/or manufacture of new and original products, Scala shall hold the proprietary rights / copyright to said products. Copying Scala's products and/or using Scala's models and moulds for other parties in any way is prohibited in such cases.

b. The purchaser indemnifies Scala against all claims from third parties in the matter of the goods supplied by Scala, unless it is determined in court that said claims are a direct consequences of gross negligence on the part of the vendor and that the purchaser can demonstrate that it has no blame whatsoever in the matter.

The purchaser indemnifies Scala against all claims from third parties concerning alleged breaches of their copyright, patents or models used in manufacture, or similar, by or in the name of third parties, the purchaser or the producer.

c. In the event that Scala sells to the client, under the agreement entered into with the client, any rights belonging to us (copyrights, world copyrights) or rights of any nature whatsoever to film, video, slide or other material, said rights shall remain wholly the property of Scala until such a time as the client has fully met its financial obligations vis-à-vis Scala arising from the agreement entered into with Scala.

All the provisions of these terms and conditions apply equally in the case of sale of the rights.

In the event that the client has not met its financial obligations within 8 days of being served notice of default, Scala shall be entitled to dissolve the agreement immediately by written declaration, and the sold rights for which the agreement on which the sale was based shall fully return to Scala. In such cases, the client shall then no longer be entitled to use the repossessed rights in any context whatsoever, and shall be required to submit to Scala at Scala's request all manufactured copies and similar, and/or to pay Scala compensation for loss equivalent to the retail price of the materials manufactured by the client.

XII. Dissolution

a. Scala shall be entitled to dissolve all agreements, with due observance of the provisions in the Dutch Civil Code, wholly or partially, irrespective of whether Scala is entitled to compensation for loss, in the event that the client does not comply with these terms and conditions.

Scala shall in any event be entitled to dissolve the agreement by unilateral declaration and without any notice of default in the event that:

- the client is declared bankrupt, applies for or is granted bankruptcy or protection from its creditors, or is placed under administration/tutelage or curatorship;
- the client wholly or partly suspends business operations, liquidates or partially/wholly transfers its company;
- a prejudgment or enforceable attachment is made on the goods held by the client, or a part thereof.

As a result of the dissolution declaration, all Scala's claims become immediately payable.

b. Rights to Return Goods

At no time shall Scala grant its clients the right to return products sold and/or supplied by Scala, unless this has been explicitly agreed in writing for the products in question.

Scala has a tacit right to return goods purchased from its long-term suppliers, whereby the regular return of goods is deemed to be a durable common provision, involving the right to return similar goods to the same supplier.

XIII. Disputes

a. All disputes occurring in the implementation of or in relation to an agreement shall be put, to the exclusion of all other courts, before the competent court in Amsterdam, inasmuch as the law does not stipulate a different court, and unless Scala decides to put the dispute before a different court which is competent in the matter.

b. Netherlands law shall apply to all agreements to which these terms and conditions wholly or partly apply, to the exclusion of the laws of all other countries.

XIV. Filing

a. These general terms and conditions were filed on 24-01-2003 with the registry of the District Court in Amsterdam, and with the Amsterdam Chamber of Commerce.

b. All Scala's previous general terms and conditions of sale and delivery lapsed as of that date.

Thus determined in Amsterdam on 24th of January 2003