

ART OF FREEDOM 2019

GENERAL TERMS AND CONDITIONS

Effective: from May 1, 2019

I. PURPOSE AND SUBJECT OF THE GENERAL TERMS AND CONDITIONS

1/ The purpose of these General Terms and Conditions (hereinafter GTC) is to govern the general conditions pertaining to the contest announced by Sziget Cultural Management Ltd. (Hajógyári sziget 23796/58., 1033 Budapest, Hungary, reg. No. 01-10-049598, tax number: 26189905-2-41, hereinafter the Customer) under the title “**Art of Freedom**” (hereinafter the Contest) for the events organized by the Customer (which, at the time of these GTC becoming effective, are Sziget Festival, Telekom VOLT Festival, Balaton Sound, Generali Gyerek Sziget) and also for the events organized by VOLT Produkció Kft. but put into realization by the participation of the Customer (which, at the time of these GTC becoming effective, are Strand Festival and B.my.Lake Festival) (these events are hereinafter collectively the Festivals), as well as the rights and obligations arising from the legal relationship between the Customer, the natural person creators (hereinafter the Artists) of the artwork selected in the Contest (hereinafter the Artwork), and the legal entity representing the Artists (hereinafter the Contractor). As for their subject, these GTC govern the legal relationship between the Customer, the Artists, and the Contractor (hereinafter collectively the Parties), their rights and obligations thereof, as well as all relevant circumstances regarding the Contest.

2/ The Festival concerned, the description of the Artwork, the remuneration of the Contractor (including the remuneration of the Artists), furthermore, any other special provision and deviations from these GTC are governed by the Specific Agreement signed by the Parties (hereinafter the Specific Agreement, the Specific Agreement and the GTC are hereinafter collectively the Contract).

3/ The legal relationship between the Parties becomes effective upon signing the Specific Agreement, but subject to the provisions set forth in these GTC. The Customer has made these GTC available to the Contractor and the Artists prior to signing the Specific Agreement for perusal. The GTC shall also be considered to be made available if a link is sent under which the GTC is accessible. The Contractor shall be obliged to become familiar with the provisions of these GTC and to make the Artists familiar with them also, and it shall make its declaration upon the GTC’s acceptance in the Specific Agreement. The Parties set forth that pursuant to Article 6:80. of the Civil Code of Hungary, in case of any collision between the Specific Agreement and any provision of these GTC, the Specific Agreement shall prevail.

II COPYRIGHT

1/ The Contractor undertakes and warrants that it shall acquire the property and the utilization rights of the Artwork, without any limitations in space and time whatsoever, against the contractor fee defined in Clause 3 of the Specific Agreement, and that it shall transfer those rights to the Customer, without any limitation in space and for a definite period expiring on the date defined in the Specific Agreement..

2/ According to the aforesaid the Customer shall acquire the right, for a definite period expiring on August 31, 2020, and without any limitation in space whatsoever, to exhibit and to revise the Artwork (after discussing it with the Artists), to utilize it as the part of another piece of art, to take photo or video of the Artwork, to copy such photo or video and to distribute these images on image-bearing media, to visualize them on promotional materials (such as leaflets, program guides, online and offline media surfaces), to broadcast or transmit them in any way to the public (either live or as a recording, including by wire or by any other means, such that members of the public can individually select the place and time of access), and to transfer these rights to third parties.

3/ The Contractor guarantees that no permission shall be given, either by itself or by the Artists, to third parties to utilize the Artwork in a way defined in Clause II/2. Pursuant to the law, the Artists shall have the right to be identified as the creators of the Artwork.

4/ The Contractor - in the name of the Artists and representing them – exclusively declares and warrants that the Artwork shall not infringe third party copyright, or any other right, and that no third party right would impede the exhibition or any other kind of utilization of the Artwork.

III RIGHTS AND OBLIGATIONS OF THE PARTIES

1/ The Contractor undertakes and warrants that the Artists shall preserve the condition of the Artwork throughout the whole term of the Festival. In case a maintenance work becomes necessary because of an external and not predictable impact, the related costs shall be borne by the Customer. In case the maintenance work becomes necessary due to a reason the Artists should have been aware of because of the nature of the Artwork (including reasons deriving from weather conditions such as sunshine, precipitation, and/or wind), the costs of maintenance shall be borne by the Contractor.

2/ The Customer shall be obliged to permit the Artists to perform the activities related to the installation, preservation, and disassemble of the Artwork at the Festival venue. The Customer shall grant to the persons working for the Contractor construction, demolition and other wristbands authorizing such persons to enter the venue (in the quantity set forth in Annex 2 of the Specific Agreement). The Contractor shall be responsible for the proper use of the wristbands and car passes and must secure that those shall be handed over to the appropriate persons. The Contractor is aware of the fact that it shall have an objective liability towards the Customer for the inappropriate use of the car passes, including the direct obligation to compensate the Customer for all damages. The Contractor undertakes to use the car passes as defined by the pertaining rules, especially in the respect of time frames pertaining to entering the site. The Contractor, Artists and people participating in the construction and the demolition works are not entitled to enter the venue of the Festival during the time of the Festival by car and park there without the written permission of the Customer. When violating the aforementioned obligation the Customer shall be entitled to invalidate the car pass and have the vehicle removed from the Festival venue at the Contractor's cost. The Customer informs the Contractor about the car entry process via e-mail, at the latest a week before the first day of the Festival.

3/ The Customer shall be obliged to indicate the names of the Artists each time the Artwork is exhibited.

4/ To perform the task defined in the Contract, the Contractor shall be obliged to secure the personal contribution of the Artists, who shall perform their tasks with their own tools and in due time, according to the related laws and professional policies, at the highest possible quality and standard, continuously collaborating with the Customer and its working organization. The Contractor shall undertake a full warranty towards the Customer that the commitments the Artists are supposed to perform shall be accomplished by the Artists according to the Contract.

5/ The Customer may unilaterally determine the exact location and spot of the Artwork within the Festival venue, which decision may not be disputed by the Contractor and the Artist. The Customer shall communicate to the Contractor at least thirty days prior to the Festival via email the exact days and hours for the commencement and completion of the Artwork's installation and dismantle, respectively. The Customer shall provide equipment, technical infrastructure, and personal cooperation as specified in Annex 2 of the Specific Agreement.

6/ The Parties shall inform each other forthwith about all circumstances that risk or hamper the success or the fulfillment of the task in due time. The Party obliged to give such a notification shall be responsible for all damages deriving from the delay of this notice.

7/ The Contractor shall not be entitled, without the prior consent of the Customer, to entrust any other subcontractor than the Artists.

8/ In case of events threatening with damages (like storm) the Contractor shall be obliged to do everything possible to avoid or minimize damages, for which the Customer shall be obliged to assist. The Customer shall not be responsible, neither towards the Contractor nor the Artists, for damages in the Artwork or for amortization due to natural wear-and-tear.

9/ If the Contractor, the Artists and/or the Artwork itself causes damage to the Customer or a third party, then the Contractor itself shall have direct liability, including - especially but not limited to - damages for inadequate installation, maintenance, or operation. The Contractor shall be obliged to indemnify the Customer against all such claims without any delay and upon the first notification, and to settle the legal dispute, both in the respect of the legal basis and the amount claimed, directly with the third party concerned, or – if the foregoing shall not be possible – to pay damages instead of the Customer.

10/ It shall be the Contractor's responsibility to comply with regulations pertaining to fire protection, labor, and labor security, and, moreover, with all other applicable law, furthermore, if necessary, to prepare and comply with the static plans and permission. The costs of the aforementioned shall be borne by the Contractor. The Contractor shall be obliged to indemnify the Customer against all claims made by third parties or authorities (including fines) arising from the Contractor's non-compliance with these rules, without any delay and upon the first notification, and to settle the legal dispute, both in the respect of the legal basis and the amount claimed, directly with the third party or authority concerned, or – if the foregoing shall not be possible – to pay damages and fines instead of the Customer. Regarding that at the areas of the construction and demolition the representatives of the Customer and the Contractor, the Artist(s), and other persons are at the same time, the Contractor and the Artist(s) are obliged to coordinate the tasks at such a way to avoid exposing persons in the immediate work area to any danger. The Contractor and the Artist(s) are liable for the coordination of the tasks pursuant to 40. § (2) of the Act XCIII on Labor

Safety. The Contractor and the Artist(s) are liable for the acts of their personnel, agents and the constructors, and for providing training about labor safety and accident prevention and for accident prevention.

11/ The Parties agree that the provisions of these GTC shall be applicable, mutatis mutandis, for cases in which the Artwork is subsequently reinstalled, upon the Customer's specific order, at another venue and/or time.

IV CONTRACTOR FEE

1/ The remuneration of the Contractor defined in the Specific Agreement shall be a flat fee which shall include all work fees, both on the Contractor's and the Artists' side, and also the costs of the creation and installation of the Artwork, and in general the costs related to the fulfillment of the Contract in relation to all Festivals of 2019 and 2020 concerned, including the material and energy costs, with the provision that the Customer shall provide at its cost electricity, as agreed upon, and in certain cases, water utility. The Contractor's fee shall also include royalties and expenses related to the acquisition of the property and utilization rights of the Artwork from the Artists and the transfer of such rights to the Customer.

2/ For the relationship between the Contractor and the Artists – that is for the method of dividing and accounting the contractor fee between the Artists – their separate agreements shall be applicable. The Parties declare that if the contractor fee is paid to the Contractor by the Customer, it may only be claimed by the Artists solely from the Contractor, and the Contractor undertakes an unconditional obligation to hold the Customer harmless, at first notice and without any delay, from the claims the Artists might make against the Customer.

V WITHDRAWAL, TERMINATION, BREACH OF CONTRACT

1/ The Customer may withdraw from the Specific Agreement by a written notice at any time, nevertheless it shall compensate the Contractor for any damages it may have. The Customer shall not be obliged to pay damages or compensation if it terminates the Specific Agreement because the Festival cannot take place due to a reason for which the Customer is not responsible. The Customer may terminate the Specific Agreement with immediate effect and without any reasoning at any time, even after the first installation of the Artwork, in which case the property and utilization rights of the Artwork shall revert to the Contractor. In such case, the Contractor may not claim for damages or other kind of compensation from the Customer.

2/ In case the Customer presumes upon reasonable grounds that the Contractor or the Artists shall not be able to finish any of their tasks in due time or in appropriate quality, or if the Contractor or the Artists seriously breach their obligations deriving from the Contract, then the Customer shall be entitled either to withdraw from the Specific Agreement by a written notice before the task is finished, or to terminate it with immediate effect. In this case, the Customer may claim for damages according to the rules pertaining to the breach of Contract.

3/ It shall be considered to be a serious breach of contract in the relation of the Contract if

(i) the Contractor and/or any of the Artists shall be in delay with the fulfillment of the

task (including the preparation, installation, maintenance, disassemble of the Artwork), or they deny to perform or to participate in the performance hereof;
(ii) the Artwork violates third-party copyright;
(iii) the Artwork reflects to daily political events, discriminates religiously or ethnically, interprets exclusionary thoughts, is suitable to incite hatred, applies an autocratic symbol, or it otherwise harms the image of the Festival.

4/ In case the Artwork violates, partly or in its entirety, third-party copyright and this third party enforces a claim against the Customer, the Contractor shall be obliged to indemnify the Customer and to hold harmless the Customer, at first notice and without delay, from any claims made against the Customer.

5/ In case of a withdrawal or a termination by the Customer, the Contractor shall be obliged to refund any amounts already paid to it by the Customer, increased by an interest of ten percent per annum, within three days from the date of such cancellation or termination.

6/ In any case of breach of contract the Customer shall be entitled to claim for the compensation of its entire damages deriving from the breach of contract, including the actual damage and the loss of profit.

7/ In case of withdrawal or a termination by the Contractor – beyond the provisions determined in V/5. – the Contractor is obliged to pay 40% of the total contractor fee defined at the Special Agreement to Customer as forfeit.

VI CLOSING PROVISIONS

1/ All business secret of the other Party shall be handled by the Parties confidentially and shall not disclose it to third parties or publish it without the prior written approval of the other Party.

2/ The Contract may only be amended in writing. Declarations to amend or terminate the Contract may only be made in writing, by personal delivery or letter with return receipt, however, for any amendment to take place, the other Party's explicit, written consent is also required. All provisions of the Contract not affected by the amendment shall remain in force invariably.

3/ The Parties shall cooperate to solve the disputes arising from the Contract in an amicable way.

4/ For matters not regulated herein the Hungarian law, primarily the regulations of Act 5 of 2013 on the Civil Code shall prevail.

5/ The Parties ability to enter into contracts in general is not limited and they declare that they are allowed to enter into the Contract. The Parties declare that this Contract is not in contradiction with other agreements they have with third parties.

6/ The Parties are not allowed to assign or transfer the rights and obligations deriving from the Contract to third parties without the prior written approval of the other Party.

7/ The Parties oblige themselves that they do everything possible during performance of the Contract to safeguard the business reputation of the other Party and to avoid that the other Party's company name is presented in a disrespectful, offensive or in any other way that is detrimental to the other Party or its direct or indirect owner.