



arte

ARTE G.E.I.E.
4 QUAI DU CHANOINE WINTERER

CS 20035

67080

STRASBOURG CEDEX

POSTFACH 1980
77679 KEHL

Česká televize
VAT No.: CZ00027383

a

ARTE G.E.I.E.
VAT No.: FR 96382865624

COPRODUCTION AGREEMENT

No. CF.1.13180.001 / 17

Subject matter: rights and obligations in the production and broadcast of an audio-visual recording

Price or value: 3.171.218 EUR

Date of signature: 26-01-2018

WWW.ARTE.TV

ASSOCIATION RELATIVE À LA TÉLÉVISION EUROPÉENNE. GROUPEMENT EUROPÉEN D'INTÉRÊT ÉCONOMIQUE / EUROPÄISCHE WIRTSCHAFTLICHE INTERESSENVEREINIGUNG.
SIÈGE SOCIAL: STRASBOURG. R.C.S. STRASBOURG C 382 865 624, APE 60.20A, UST-NR. 0800 507 964, N°TVA INTRACOMMUNAUTAIRE FR96 382 865 624
MEMBRES / MITGLIEDER: ARTE FRANCE S.A., ARTE DEUTSCHLAND TV-GMBH.



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67080

STRASBOURG CEDEX

POSTFACH 1980
77679 KEHL

**CO-PRODUCTION
AGREEMENT**

n° CF.1.13180.001/17

By and between:

ARTE G.E.I.E., with its registered office at 67000 STRASBOURG, 4 quai du Chanoine Winterer, RCS Strasbourg (Strasbourg Commercial and Corporate Registry) C 382 865 624, represented by [REDACTED] Programme Director, for the purposes hereof

hereinafter referred to as "ARTE",

on the first part,

and:

Česká televize, a company having its registered office at 140 70 Prague 4, 140 70 PRAGUE 4, Czech Republic, registered under the the trade register number n° CZ 000 27383, represented for the purposes hereof by its legal representative,

hereinafter referred to as the "CONTRACTING PARTY"

on the second part,

referring to the co-operation agreement concluded between ARTE G.E.I.E. and Česká televize signed on October 16, 2013.

NOW THEREFORE THE PARTIES HAVE AGREED AS FOLLOWS:

PART 1:

SPECIAL TERMS AND CONDITIONS

1. PURPOSE

The CONTRACTING PARTY shall jointly produce an audio-visual work in cooperation with ARTE, hereinafter referred to as the "Work", subject to the terms and conditions set forth hereunder and having the following title and characteristics:

Working title:
Authors:
Directors:
Duration:
Nationality:
Shooting version:
Original version delivered:
Filming locations:
Filming dates:
Medium to deliver per episode:
Delivery of broadcast copy:
Place of delivery:
Copying and transportation charges:

Other Materials to
deliver for each
episode

These characteristics are a fundamental condition of performance of this agreement and may be amended only by common written agreement of the parties.

The final title of the Work shall be subject to ARTE's prior approval.

2. COST

2.1. In accordance with the estimate attached hereto in Schedule 1, the cost of the Work described in Article 1 is [REDACTED]

2.2. The financing plan for the Work described in Article 1 is as follows:

- CONTRACTING PARTY's contribution:
3.171.218 € (three million one hundred and seventy-one thousand two hundred and eighteen Euros) excluding taxes,

- ARTE's contribution:
[REDACTED]

2.3. If, in its contribution to the coproduction and/or the financing plan of the Work, the CONTRACTING PARTY has included any subsidies which prove not to be forthcoming, the CONTRACTING PARTY shall arrange alternative financing or provide the amount itself.

2.4. The CONTRACTING PARTY hereby covenants in favour of ARTE that in the event of total or partial default by any partners or of pre-sales, it shall replace or cause to be replaced any such partners or pre-sales. Generally, the CONTRACTING PARTY shall make up any financial shortfalls incurred due to such default with a view to ensuring due performance of this Agreement.

3. ARTE CONTRIBUTION

3.1. Amount

ARTE's contribution in the amount of [REDACTED]
[REDACTED] shall be broken down as follows:

[REDACTED]

Since the agreement relates to intellectual services, ARTE will pay French VAT for and on behalf of the CONTRACTING PARTY.

In addition, the general regime for the taxation of royalties and copyright fees paid in France to a person or body resident abroad is a withholding tax of 33^{1/3}% on the amount excluding taxes owed by the French debtor.

However, having regard to the treaty signed between France and the Czech Republic on 28/04/2003, an exemption from tax or a reduced rate of tax on royalties and copyright fees can be obtained subject to presentation of two forms:

- form no. 5000 issued and stamped by the competent tax authority of the country where the CONTRACTING PARTY is established; and

- form no. 5003,

which the CONTRACTING PARTY must send to ARTE as quickly as possible after they are completed.

In the absence of these documents, the normal withholding tax of 33^{1/3}% will be deducted from the amount excluding taxes owed by ARTE.

The foregoing amount shall include any and all costs, expenses and taxes.

3.2. Payment Terms

Within [REDACTED] ARTE shall make the following payment, subject to the terms and conditions provided for by the payment schedule:

[REDACTED]

[REDACTED]

Payment shall be made by direct Bank transfer into the account opened in the name of the CONTRACTING PARTY at the Bank of its choice, or other person specifically designated as beneficiary or assignee of such payment by the CONTRACTING PARTY.

If upon any contractual undertaking of CONTRACTING PARTY, any payment hereunder should be sent to bank account owned by other entities, the CONTRACTING PARTY shall notify it to ARTE in advance. In case the Contracting party fails to make a notification in this sense to ARTE and such an omission might represent a risk for ARTEs due fulfilment of its obligation under this contract, ARTE is entitled to terminate this contract by written notice with immediate effect.

4. ARTE BROADCASTING RIGHTS

As valuable consideration for its broadcast contribution, ARTE may broadcast or allow the broadcast of the audio-visual Work hereunder pursuant to the following terms and conditions:

4.1. Satellite broadcast rights

- Territories

France (metropolitan and overseas), Germany

- Number of broadcasts for each episode

3 multi-broadcasts (1 multi-broadcast = 4 broadcasts within 45 days).

- Term of Rights

5 years commencing on the date of acceptance by ARTE of the last master copy of the Work.

- Exclusivity

Such rights shall be exclusive for the granted Territories throughout the term of rights.

4.2. Cable Rights

- Territories

France (metropolitan and overseas), Germany, Belgium and Switzerland

- Number of broadcasts for each episode

3 multi-broadcasts (1 multi-broadcast = 4 broadcasts within 45 days).

- Term of Rights

5 years commencing on the date of acceptance by ARTE of the last master copy of the Work.

- Exclusivity

Such rights shall be exclusive in France (metropolitan and overseas) and in Germany throughout the term of rights.

Such rights shall be non-exclusive in Belgium and Switzerland throughout the term of rights.

4.3. Terrestrial Rights

- Territories

France (metropolitan and overseas), Germany

- Number of broadcasts for each episode

3 multi-broadcasts (1 multi-broadcast = 4 broadcasts within 45 days).

- Term of Rights

5 years commencing on the date of acceptance by ARTE of the last master copy of the Work.

- Exclusivity

Such rights shall be exclusive for the granted Territories throughout the term of rights.

4.4. In each territory licensed in articles 4.1, 4.2 and 4.3, the Work may be broadcast subsequently to broadcasts in the other territories listed above.

4.5. Exclusivity is enforceable against all broadcasters and/or operators, regardless of the method of transmission of the Work to the public (for example direct or point to point satellite broadcast, national or local terrestrial broadcast, whether encrypted or otherwise, cable (regardless of the method of supply of the cable network), or pay-TV).

Exclusivity applies to all potential versions and/or adaptations of the Work.

4.6. Use of excerpts

In addition to broadcasting of the Work as authorised by the present contract, ARTE is also authorised by THE CONTRACTING PARTY, for the contractual duration of the broadcasting rights and within the scope of the amount payable for rights granted as provided for hereinbefore:

to broadcast or cause to be broadcast (by satellite, terrestrial or cable television, the Internet –including social media networks- or electronic services),

- to communicate or cause to be communicated to the public (at press events, trade fairs, festivals or in cinema theatres and like venues)

excerpts from the Work worldwide for the purposes of presenting or promoting the programmes and/or activities of ARTE. The aforesaid excerpts shall not exceed three minutes in length.

4.7. Broadcast Terms and Conditions

ARTE has acquired the right to broadcast the original version of the Work and the versions defined at Clause 11.5 of the general terms and conditions, for the number of multi-broadcasts and throughout the term set forth at Clause 4.

Any late delivery of the broadcast copy to ARTE which delays the date of acceptance of such copy shall defer the commencement date of ARTE's broadcast rights accordingly. In such event, the CONTRACTING PARTY covenants to notify other broadcasters in order to ensure compliance with the rights and priorities of ARTE.

The CONTRACTING PARTY hereby grants a right of first refusal to ARTE with respect to the assignment of any subsequent broadcast rights following expiration hereof.

ARTE may exercise its broadcast rights pursuant to Clause 4 without any formalities or payments other than those relating to copyright as provided for in the general agreements with French societies of authors (SACEM, SACD, SCAM, SDRM and ADAGP).

5. INSURANCE

The CONTRACTING PARTY shall take out any necessary insurance policies at its own expense as provided at Clause 12 .

The CONTRACTING PARTY, being a public broadcaster, may not conclude insurance covering the risk associated with incompleteness of the Work as it is expressly agreed that the CONTRACTING PARTY shall compensate to ARTE any paid financial contribution should the Work not be finished.

6. CREDITS

It is agreed:

- that the beginning credits as well as the inserts/captions will be established in French and German,
- that the end credits will be established in German

and will mention the co-producers in the same form and in the same characters.

Credits have to contain the following information:

ARTE G.E.I.E
Redakteurin

Produktion

Hauptabteilungsleiter Spiel- und Fernsehfilm

© ČESKÁ TELEVIZE / ARTE G.E.I.E. 2017

The CONTRACTING PARTY undertakes to ensure that the credits mention all the names and qualifications of persons likely to be able to claim this right pursuant to the Intellectual Property Code and any current collective agreements.

7. MARKETING

By agreement between the parties, the marketing of the televisual rights in the Work is entrusted exclusively to the CONTRACTING PARTY, except for the territories for which the exclusivity was granted hereupon to ARTE according to Article 4. , throughout the legal or contractual copyright period in all countries, in accordance with the terms and conditions provided by the general agreements entered into with the copyright societies, and in compliance with the distribution of net receipts stipulated below.

The marketing may only be entrusted to a third party with ARTE's prior consent in writing.

8. PROCIREP

9. SPECIAL PROVISIONS

9.1. Live Streaming and Catch-up Television

The CONTRACTING PARTY authorises ARTE:

- to broadcast, or arrange for the broadcast each episode of the Work, via the internet or using any other electronic communication service, at the same time as it is broadcast over the air, irrespective of the technical means used for its reception
- to make or arrange to make each episode of the Work available to the public for a period of 7 days preceding the first run of the first multicast of each episode of the Work, from the day of the first run of each multicast and for a period of 30 days following each first run of each multicast, using any means of transmission on personal request (via the internet or any electronic communication service), independently of the technical means by which the Work is received, but without allowing the Work to be saved.

The Work will be available free of charge, in French and/or German versions, and/or in all other versions except Slavic languages, and will be accessible worldwide.

The CONTRACTING PARTY guarantees to ARTE that it will obtain all the necessary licences from any right-holders, on the understanding that ARTE will exercise the rights referred to above without formalities or payments other than those relating to copyright, for which provision is made in its general agreements with the copyright companies SACEM, SACD, SCAM, SDRM and ADAGP.

9.2. Extended exploitation rights

In addition, the CONTRACTING PARTY authorises ARTE:

- to make or arrange to make each episode of the Work available to the public for a period of 2 months at any moment during the broadcasting rights, using any means of transmission on personal request (via the internet or any electronic communication service), independently of the technical means by which the Work is received, but without allowing the Work to be saved.

The Work will be available free of charge, in French and/or German versions, and/or in all other versions except Slavic languages, and will be accessible worldwide.

The CONTRACTING PARTY guarantees to ARTE that it will obtain all the necessary licences from any right-holders, on the understanding that ARTE will exercise the rights referred to above without formalities or payments other than those relating to copyright, for which provision is made in its general agreements with the copyright companies SACEM, SACD, SCAM, SDRM and ADAGP.

9.3. Video on demand

The CONTRACTING PARTY grants ARTE a preferential right to exploit the Work by way of video on demand in the versions and in the territories the subject matter hereof.

In the event that a third party should make an offer to the CONTRACTING PARTY in relation to such exploitation, the said exploitation may be allocated to ARTE on financial conditions which are the same as those offered by that third party.

The CONTRACTING PARTY shall notify ARTE by registered letter with proof of receipt requested of any proposal made to it that it wishes to accept. ARTE will have a period of three weeks from the date of receipt of the letter to indicate whether it intends to exercise its preferential right. If ARTE fails to exercise its preferential right, the CONTRACTING PARTY shall be free to enter into a contract with the said third party on the conditions transmitted to ARTE.

In the event that these rights are transferred to ARTE, their exploitation will be the subject of a new agreement distinct from this agreement.

9.4. CONTRACTING PARTY's broadcasting rights

The CONTRACTING PARTY may broadcast or allow the broadcast in the scope and in territory not expressly granted to ARTE.

9.5.

The CONTRACTING PARTY represents and warrants that the people involved in the aforementioned Work are lawfully engaged and remunerated with respect to employment and tax rules in force, and that the contracts formed with those people (including writers and directors) entail the assignment of rights needed for all of the uses provided for by the aforementioned contract.

The CONTRACTING PARTY shall indemnify ARTE with respect to any proceedings or claims in relation thereto.

9.6. Confidentiality

The Parties agree that information in this Agreement highlighted in yellow is confidential (e.g. as a business secret) and neither contracting Party shall disclose such information to any third party without the prior written consent of the other Party. This prohibition remains in effect after the performance of the Agreement is completed or terminated, with the exception of information: (i) that the Licensee provides to third parties within a regular scope in relation to the preparation, production, distribution and/or promotion of its program content to which this Agreement relates and/or in relation to its own promotion; (ii) that a contracting Party provides or makes public based on a legal regulation; and (iii) that a contracting Party provides to its specialist advisors and/or other associates equally bound by the legal and/or contractual duty of confidentiality.

This Agreement shall be made accessible to general public in accordance with Czech law provided that information highlighted in yellow was redacted.

Schedule :

Schedule 1 : Budget

Česká televize

ARTE G.E.I.E.

Name:

Title:

Date: 26 -01- 2018

Place:

Title: Programme Director

Date: 18.12.2017

Place:

(¹) Insert the handwritten phrase "READ AND APPROVED" prior to signature.

PART 2:

- GENERAL TERMS AND CONDITIONS

of the Co-Production Agreement

10. EFFECTIVE DATE AND TERM OF THE AGREEMENT - DEFINITIONS

This Agreement shall be effective on the date of its execution. It shall bind the parties throughout the period of legal use of the Work for the joint benefit of the parties.

*** Satellite Right**

Satellite right means the right to transmit the Work to the public (upload, broadcast, transmission, reception) via a satellite system with a view to the reception of the Work by viewers via individual or collective aerials; in this respect no distinction will be made between a direct broadcast satellite and a point to point broadcast satellite.

*** Cable Right**

Cable right means the right to transmit the Work to the public, simultaneously and in full, directly by cable or using third party cable distributors. The Work will be routed to the start of the cable networks concerned via a satellite system; in this respect no distinction will be made between a direct broadcast satellite and a point to point broadcast satellite.

*** Terrestrial broadcast right**

Terrestrial broadcast right means the right to transmit the Work to the public via a network of terrestrial broadcasters covering the concession territories, with a view to the reception of the Work by viewers via individual or collective aerials.

This right may be exercised directly or using a third party, according to the allocation of the frequency corresponding to the said terrestrial network, by relay from the satellite system or by the direct supply of the network. No distinction will be made between a direct broadcast satellite and a point to point broadcast satellite.

11. PRODUCTION RESPONSIBILITY

11.1. The two parties expressly agree that their co-operation shall not be deemed to create a de facto partnership. For such reason, the sole terms and conditions which shall bind the parties are set forth in this Agreement.

11.2. The CONTRACTING PARTY, in its capacity as delegate producer, shall be responsible for the creation and due completion of the Work, including but not limited to carrying out any and all necessary production operations in order to ensure delivery of the broadcast copy pursuant to the special terms and conditions.

Any production agreements shall be entered into by the CONTRACTING PARTY acting on its own behalf, in compliance with relevant legislation and normal practices applicable to the independent production of television programmes and the provisions of this Agreement.

The CONTRACTING PARTY shall include necessary provisions in any and all agreements to provide for the assignment of any rights necessary for the production and use of the Work.

The CONTRACTING PARTY shall keep separate accounts recording any transactions with respect to production and sales and marketing.

It shall safeguard and make available any documents evidencing such transactions for any producers or persons appointed by them and duly authorised for such purpose, who may, from time to time, request disclosure on the premises and during normal business hours.

11.3. The CONTRACTING PARTY shall be solely and exclusively liable for any budget cost overruns, such that ARTE shall in no event be liable for any claims of third parties based on such cost overruns.

In the event the parties agree by an additional agreement to stop production, each party's share of actual costs shall be calculated on a pro rata of their contribution to the financing of the Work. The equitable division shall be

made on the basis of costs actually incurred and justified on behalf of production and consented to by the parties.

Any production delays shall trigger an equivalent postponement of the payment schedule set forth at Clause 3.2.

In any event, ARTE may not be held liable for any commitments taken by Contracting Parties with respect to third parties even where such commitments refer to this Agreement, ARTE's liability being strictly limited to the amount of its contribution stipulated at Clause 3.

11.4. The CONTRACTING PARTY hereby agrees to save, indemnify and hold ARTE harmless for and against any claim or proceeding of any nature whatsoever based on rights granted to producers hereunder, or by authors, their successors or assigns, editors, producers, artists or generally any person who has directly or indirectly participated in the production or completion of the Work.

It shall also save, indemnify and hold ARTE harmless for and against any claim or proceeding by any person or entity who has not participated in the production or realisation of the Work, based upon grounds related to use of the Work, including but not limited to claims seeking to prevent the broadcast of the Work.

The CONTRACTING PARTY hereby authorises ARTE to affix its logo for the purposes of any broadcast of the Work hereunder. It shall save, indemnify and hold ARTE harmless for and against any claims in this regard.

11.5. The parties agree that ARTE may prepare or have prepared any necessary linguistic versions or translations of the broadcast of the Work within the authorised territories granted using any method including, but not limited to, dubbing, sub-titling, voice over, voice off.

11.6. The CONTRACTING PARTY hereby releases and discharges ARTE from liability arising out of broadcast of the Work in territories other than those listed at Clause 4 due to the zone of reception of the satellite used for such broadcast.

12. INSURANCE

The CONTRACTING PARTY represents and warrants that the Work is insured against the following risks:

- any "Production" risks including but not limited to total or partial unavailability of the producer, director or performers,
- any and all "negative" risks,
- any and all "movable asset and accessory" risks,
- any and all "film material and shoot" risks"

Insurance shall inter alia cover amounts corresponding to proceeds received during production of the Work for its financing, and payment of the balance of remuneration or wages to producers or performers.

In any event, insurance shall cover against total loss preventing completion of the Work and repayment of sums disbursed by ARTE, including ARTE's contribution. ARTE may send notice to such companies ordering them to make direct payment of amounts to which it is entitled without the consent or presence of the CONTRACTING PARTY.

13. ADVERTISING

The CONTRACTING PARTY agrees not to insert any advertising notices or references (visual and/or audio) of any nature whatsoever into the Work.

Furthermore, the CONTRACTING PARTY may not authorise third parties to use the Work or any elements therefore (titles, characters, etc.) for advertising purposes of any nature.

It covenants to commence court proceedings at the request of ARTE in order to ensure compliance with this provision. The CONTRACTING PARTY warrants that any agreements entered into with authors shall allow them to sponsor exploitation of the Work by any firms editing or manufacturing any products or services.

14. SUPERVISORY RIGHTS

The CONTRACTING PARTY shall keep ARTE informed of progress of the production. It shall notify ARTE of any event likely to interfere with its due progress.

The CONTRACTING PARTY shall send notice to ARTE 15 days prior to screening dates of any parts of the Work to be produced and notice of the date when the working copy may be viewed prior to mixing in order to allow ARTE to review and make its own observations and request any necessary modifications subject to relevant moral rights of the authors. The scheduled mixing date shall take into account the time necessary to carry out any such changes.

15. PRESS AND PROMOTION

The parties furthermore agree that the mention of the CONTRACTING PARTY and ARTE shall appear in the same format and typescript in posters, programme trailers, media kits or any other material used for promotion or advertising the Work. Their presentation format shall be subject to prior approval by ARTE.

The CONTRACTING PARTY shall make any documentation available to ARTE at no charge including but not limited to photos and slides, for use in promotion of the Work or the channel on any media supports (posters, media kits, Internet, minitel, CD Rom, teletext ...). ARTE may archive this documentation permanently and make it available to the public including via the Internet.

16. MATERIAL

16.1. Delivery of Material

Costs of transporting material shall be paid by the CONTRACTING PARTY.

a) The CONTRACTING PARTY shall provide the following material:

- 1 Master HD CAM broadcast copie compliant with ARTE technical specifications produced from:

* for image, a perfectly standardised, non-subtitled positive, processed directly from the negative and not the inter-negative, verified and accepted at the expense of the CONTRACTING PARTY by a laboratory of its choice,

* for sound, DB tape in original mixed version and international version.

The EM number (tape registration number assigned by ARTE to each Work) must be inserted at the head of the master (see technical schedule). Consequently, the CONTRACTING PARTY must request the EM number from the relevant Unit Supervisor prior to executing the telecine process.

The broadcast copie shall be delivered at the expense of the CONTRACTING PARTY pursuant to the terms and conditions set forth at Clause 16.3. ARTE's Broadcasting Department shall confirm they are in perfect condition and comply with technical norms defined in the technical schedule.

All the foregoing elements are necessary conditions precedent to inspection of the material and payment of the amount corresponding to acceptance of such material by the broadcasting station.

b) The CONTRACTING PARTY shall also provide:

- accounts with respect to the Work, including a cost/budget comparison and financing plan for the Work
- A precise and itemised statement describing content of the Work referred to hereunder with respect to copyright and related rights, statement of music used, statement of use of graphic and plastic arts works and statement of use of artistic and photographic works. These statements shall be returned at the time of final settlement of accounts.

c) At the time of delivery the CONTRACTING PARTY shall provide ARTE with:

- the synopsis,
- the complete credits,

- a notice of intent and the filmography of the director.

16.2. Laboratory Deposit Agent

The original elements shall be safeguarded by ARTE and the CONTRACTING PARTY.

Rushes and intermediate image and sound versions (see Clause 17) shall be safeguarded by the CONTRACTING PARTY.

16.3. Delivery

The CONTRACTING PARTY shall deliver all the material listed at 16.1.a, no later than the date referred to at Clause 1 hereof.

In the event of non-compliance with such deadline, unless otherwise specifically agreed between the parties, the CONTRACTING PARTY shall be liable to pay a penalty of 46 euros (forty-six) per day, without prejudice to any further damage claims. The penalty calculated in the foregoing manner shall, where applicable, be deducted from the final payment made to the CONTRACTING PARTY.

The delivery of such material shall be made at the location described at Clause 1, or in default thereof, at any other location that ARTE notifies to the CONTRACTING PARTY.

The copy referred to at Clause 1 shall be of sufficient quality to comply with ARTE technical norms. ARTE shall conduct its inspection within 45 days of the delivery date.

In the event the CONTRACTING PARTY provides a copy which fails to meet the aforementioned conditions, ARTE may demand a replacement copy from the CONTRACTING PARTY within 30 days of the date of inspection of such copy.

In the event the new copy is also defective, ARTE may refuse to make the payment referred to at Clause 3. CONTRACTING PARTY shall not be entitled to any indemnity therefor.

The CONTRACTING PARTY shall ensure transport or remittal of the copy to ARTE at its own risk and expense.

17. OWNERSHIP AND DEPOSIT OF THE MATERIAL

ARTE and the CONTRACTING PARTY shall be joint co-owners of the tangible and intangible elements of the Work, on a *pro rata* of their respective contributions to the production.

All tangible assets, including original material (rushes), the original (master), in addition to intermediate video and audio elements, shall be deposited in the name of the two parties at the laboratory jointly selected by them (see Clause 16.2).

In order to allow the parties to exercise their rights, the negative and any material of the Work shall remain jointly owned by the co-producers. The laboratory may not release such material without the prior written and joint consent of each of the parties.

In the event of seizure or attachment of the negative by a creditor of the CONTRACTING PARTY, the laboratory shall allow ARTE to make copies in order to preserve the interests of the latter.

18. CULTURAL BROADCAST

ARTE may carry out non-broadcast cultural distribution of the Work in France, Germany or other countries through non-commercial networks.

19. PUBLIC RELEASE CERTIFICATE

The CONTRACTING PARTY agrees not to make any requests for a public release certificate in France throughout the term of rights of ARTE, except with the written consent of ARTE. Furthermore, it agrees that public release of the Work in other ARTE broadcasting countries shall not interfere with such broadcasts.

20. TRANSFER OF RIGHTS ASSIGNED TO ARTE

The CONTRACTING PARTY hereby agrees that ARTE may transfer any rights assigned pursuant to Clause 4 hereof to any communication enterprises authorised to exercise such rights pursuant to relevant audio-visual legislation. Where it actually exercises such option, ARTE shall nevertheless guarantee due performance by the assignee of the aforementioned obligations and remain fully liable therefor.

21. DERIVATIVE RIGHTS

21.1. The exploitation of derivative rights shall be determined by separate agreement between the two parties. In the event of a call for tender by the CONTRACTING PARTY, France Développement shall be invited to bid. Where the offer of ARTE France Développement is equal to or better than any competing bid made under equivalent conditions, the ARTE offer shall be accepted by the CONTRACTING PARTY.

21.2. Derivative rights shall mean *inter alia*:

- the publication of images and original music soundtrack of the Work in any form whatsoever, with or without adaptation,

- the sound and/or sound and video reproduction of the Work or parts thereof in any form whatsoever (for example: records, soundtracks, films or CD ROM),

Net receipts arising out of use of video cassettes shall be divided among the producers pursuant to the special terms and conditions (Clause 7).

22. RECEIPTS

22.1. Definition of Net Receipts

Net receipts shall mean gross receipts less the following expenses:

- deductible costs:

Deductible costs means costs incurred during the preparation, execution or payment of material, works and expenses listed hereinafter subject to justification by production of documents and provided they have not been assumed by the assignee of the broadcasting rights.

Fixed costs are as follows:

- costs for copies (limit jointly determined),
- costs of dubbing and subtitling,
- advertising material in relation to the Work (list jointly determined by the parties),
- transport and transport insurance,
- customs, censorship and sales taxes,
- other costs subject to consent of the two parties,
- additional remuneration due to various holders of rights.

The parties furthermore agree that any prizes awarded during festivals or competitions shall be deemed to be receipts unless otherwise provided by applicable regulations or in cases of prizes awarded to technicians.

22.2. Sales Statements

The CONTRACTING PARTY shall send accounts to the financial department of ARTE no later than 1 February of each year, which, for each assignment of the previous year, shall provide particulars of the amount of net receipts and cash on hand. Where no sales have been made, the ARTE financial department shall nevertheless be informed by regular mail.

Payment shall be made by the CONTRACTING PARTY upon presentation of an invoice issued by the ARTE financial department and sent to the CONTRACTING PARTY.

23. ASSIGNMENTS AND SUBSTITUTIONS

The CONTRACTING PARTY shall not assign any rights or obligations resulting from this Agreement to any third party without the prior written consent of ARTE. In the event such consent is granted, the CONTRACTING PARTY shall nevertheless remain liable for the due performance by such party of any obligations in favour of ARTE.

24. SECURITY INTEREST

In the event of pledging, assignment or delegation of debt-claims against ARTE hereunder, the CONTRACTING PARTY shall:

- notify ARTE of such pledging, assignment or delegation upon registration,

- repay to ARTE any payments which have been directly sent to it after such registration,

- exclude any invoices issued on the date of registration.

The CONTRACTING PARTY shall save, indemnify and hold ARTE harmless for and against any claim by any individual or corporate entity with respect to invoices issued by the CONTRACTING PARTY prior to notice of such pledging, assignment or delegation.

The parties hereby agree to refrain from granting any third party any lien, charge, mortgage, or other similar security interest with respect to the Work or its constitutive elements without the prior written consent of the other party.

25. BANKRUPTCY

This Agreement shall be automatically terminated without prejudice to any claims by ARTE against the CONTRACTING PARTY in the event of a Court order against any director or officer of the CONTRACTING PARTY pursuant to Clauses L 653-1 to L 653-11 of the *Code de Commerce** (Commercial Code).

* applies only to individuals or corporate entities subject to French law.

26. TERMINATION

The Agreement may be automatically terminated upon demand of ARTE, which reserves the right to cease making the payments set forth at Clause 3 and may require, by registered letter with recorded delivery, without any further formal requirement or Court order, the repayment of any sums paid by it, the whole without prejudice to any further claims in damages, in the following cases:

In case that the final version of the Work does not substantially conform with the project which has been approved by ARTE;

In case that the CONTRACTING PARTY has failed to perform any obligation incumbent upon it pursuant to this Agreement;

In case that the CONTRACTING PARTY has substituted another party for the performance of its obligations hereunder without the written consent of ARTE;

In case that the CONTRACTING PARTY is unable to duly perform its obligations as a result of Court proceedings or disputes;

In case that ARTE, due to a Court order, is unable to freely carry out the broadcast authorised hereunder;

In the event that ARTE has not fulfilled its obligations pursuant to the terms hereof, this Agreement may be automatically terminated by the CONTRACTING PARTY by registered letter with recorded delivery, without any further formal requirement or Court order without prejudice to its other claims in damages.

27. DISPUTES AND LITIGATION

In the event of contradiction between the general conditions and the special conditions, the latter shall prevail.

This agreement shall be governed by French law.

Any dispute with respect to the application or interpretation of this Agreement shall, in the event the parties fail to reach amicable settlement, be referred to the relevant Courts of Strasbourg.