

# Standard Terms and Conditions

## for production of vinyl records

### 1. Conclusion of contract

- 1.1. This contract enters into force by signing and confirming the order form (hereinafter ORDER FORM or DATA SHEET) between HANATON (Hanaton Hanglemezgyár Kft., 8900 Zalaegerszeg, Hegyközség utca 13., vat.no: 23964961-2-20, registration no: 20 09 072783, represented by: András Hanisch CEO, bank account number: Raiffeisen Bank HU39-12092309-01819488-00200001, hereinafter: HANATON) and the customer (hereinafter: CUSTOMER).
- 1.2. HANATON undertakes to make the CUSTOMER's vinyl records, printed materials, packaging, delivery, etc. as required on the DATA SHEET.
- 1.3. The CUSTOMER declares that the contact person on the DATA SHEET is entitled to make all statements related to the order.
- 1.4. HANATON carries out the production partly with the help of subcontractors.

### 2. Copyright and ownership

- 2.1. CUSTOMER warrants that the ordered products do not infringe the copyright or other intellectual property rights of third parties and declares that it has the right to publish the record, has obtained consent from the authors, performers and the relevant authorities to produce and publish the record. The CUSTOMER undertakes to pay the royalties in full to the rightholders or the relevant authorities by the due date.
- 2.2. CUSTOMER undertakes to obtain and send to HANATON the production license of the relevant authorities, or the copyright statement (eg: [https://hanaton.hu/files/copyright\\_declaration.docx](https://hanaton.hu/files/copyright_declaration.docx)).
- 2.3. CUSTOMER warrants that there are no pending or expected pending claims, disputes, lawsuits, arbitration or other proceedings that may affect its statements above. CUSTOMER shall defend, indemnify and hold harmless HANATON from all claims, disputes, proceedings, actions, fines, penalties, litigation, loss, expense, damages (including punitive damages) and costs (including all attorneys' fees) that arise from or is are related to the infringement or alleged infringement of the copyright or any other proprietary right of any third party by the ordered products.
- 2.4. The pressing form (stamper) is produced by HANATON's subcontractor based on the audio material provided by the CUSTOMER. The ownership of the printing form belongs to the CUSTOMER. Once production is complete, HANATON retains the molds for two years. In the case of post-production, the retention period will be extended by another two years. HANATON is not responsible for the quality of the stamper during storage.
- 2.5. HANATON will hand over the stampers to the CUSTOMER upon its written request, however, it will not undertake post-production with the handed over pressing forms.

### **3. Uploading of creative materials, responsibilities, quality defects**

- 3.1. The CUSTOMER shall upload the audio and artwork files on HANATON's online interfaces, as follows: <https://hanaton.hu/good-to-know>  
Shall use the templates made available by HANATON to create the graphic materials: <https://hanaton.hu/sablonok>  
The CUSTOMER undertakes all responsibility for any errors in the submitted audio and video materials.
- 3.2. HANATON will store the source materials free of charge for 3 months after performance and will be entitled to eliminate them without further notice. HANATON shall not be liable for any direct or indirect damage or loss of source materials.
- 3.3. CUSTOMER is obliged to consider the peculiarities of the finished vinyl record during the sound mixing: <https://hanaton.hu/good-to-know>
- 3.4. CUSTOMER is obliged to inspect the product immediately and to inform HANATON – in case of quality complaints – within 48 hours after delivery. In the case of hidden defects, CUSTOMER must notify HANATON immediately after their actual appearance, but no later than two months after delivery.
- 3.5. In case of quality defects, if the conditions of the previous point are met, HANATON will correct or replace the defect if
- a) defects have occurred during manufacture,
  - b) returned it to HANATON at its own expense (if the objection is subsequently considered justified, HANATON will reimburse this cost),
  - c) the source files did not contain the defect,
  - d) the testpress did not contain the defect,
  - e) the proportion of defective products is more than 1% of the delivered products,
  - f) the defects are not due to natural wear and tear or subsequent careless handling,
  - g) CUSTOMER has not made any modifications to the products,
  - h) regulation deviation from the specification is not insignificant,
  - i) the quality problems are qualified as defects according to the quality standards of HANATON: <https://hanaton.hu/quality-standards>

### **4. Production and delivery**

- 4.1. HANATON makes every effort to deliver the products by the deadline specified in the order form, however, it is not responsible for late delivery - especially due to manufacturing difficulties of subcontractors and possible material shortages. HANATON shall not be liable for any loss or damage resulting from late delivery, including loss of profits, loss of revenue, economic loss, loss of reputation and loss of property of any kind.
- 4.2. Production time begins on the working day following the approved delivery of the material and the payment of the advance payment specified in the order form.
- 4.3. Production deadlines may be extended due to the time of material release consultations, customer approvals, feedbacks etc.

- 4.4. HANATON is not obliged to continue or fulfill the order while the CUSTOMER is late in paying his previous invoice. HANATON may charge a storage cost of up to 2% of the order price after each day of delivery withheld.
- 4.5. If the CUSTOMER does not provide delivery information or refuses to accept the delivery, HANATON is entitled to organize storage, the cost of which is to be charged to the CUSTOMER. After storage for more than 30 days, HANATON reserves the right to dispose of the products.
- 4.6. HANATON is entitled to partial performance.

## **5. Quantitative tolerances**

- 5.1. Due to the special features of the products, HANATON is entitled to deviate from the number of ordered products within the quantitative tolerance. The CUSTOMER is obliged to pay the price of the products actually delivered.
- 5.2. Quantity tolerance is 10% up to 1000 copies and 5% above 1000 copies.

## **6. Fees and terms of payment**

- 6.1. The fee for the production of records and the due date of payments are included in the DATA SHEET.
- 6.2. If the CUSTOMER is in default of payment according to the agreement, after 30 days HANATON is entitled to suspend production and to invoice all the costs so far, including collection, administrative and legal costs.
- 6.3. If the costs listed in the previous point are not paid within 30 days, HANATON is entitled to terminate the contract.

## **7. Testpress**

- 7.1. Before starting production, HANATON shall produce 3 testpresses, which are delivered to the CUSTOMER. The testpress is black and has testpress label.
- 7.2. HANATON will start production after the written (email) acceptance of the testpress by the CUSTOMER. The acceptance period for the testpress is 3 days from receipt. With each additional day, the production deadline is extended accordingly.
- 7.3. By approving the testpress, the CUSTOMER accepts the quality of the future presses.
- 7.4. If CUSTOMER finds a quality defect on the testpress that was not included in the submitted audio material (scratches, bounces, etc.), he is entitled to request the correction of the defects and the new testpress.
- 7.5. CUSTOMER is not entitled to request a free error correction if the error is due to quality defects in the original audio material. In this case, the CUSTOMER may choose to remanufacture the new printing form at his own expense or cancel the order in accordance with section 11.
- 7.6. With feedback and repair times, the production time undertaken may extend accordingly.

## **8. Usage rights and reference**

- 8.1. The right to use and own the completed records remains with the CUSTOMER. HANATON reserves the right to retain a maximum of 5 records for quality assurance purposes, provided that the records are not disclosed to third parties in any form.
- 8.2. HANATON reserves the right to include audio records in its references and to present the audio material as a reference.

## **9. Limitation of Liability and Confidentiality**

- 9.1. HANATON shall not be liable under any circumstances for any profit, business, production, contract, revenue, reputation, expected savings, interest, financing costs, or any special indirect or consequential damages.
- 9.2. HANATON's liability is limited to 100% of the price of the products specified in the order form.
- 9.3. All details and annexes to this Agreement are trade secret and may only be disclosed to third parties with the written consent of both parties of this agreement.

## **10. Termination of the agreement**

- 10.1. This Agreement may be terminated by a joint written declaration of the parties.
- 10.2. If the CUSTOMER withdraws from the order before the start of pressing, the advances received until then shall be due to HANATON.
- 10.3. If the CUSTOMER withdraws from the order after the start of pressing, the full production fee shall be due to HANATON.

## **11. Others**

- 11.1. This Agreement has been signed by the parties in duplicate after review, in accordance with their intentions and will.
- 11.2. Any Agreement between HANATON and the CUSTOMER and any non-contractual obligations arising thereunder are governed by Hungarian law.
- 11.3. The parties agree that the Zalaegerszeg District Court shall have jurisdiction in the event of any future dispute.