

METRO FILMS LTD
TERMS AND CONDITIONS OF BUSINESS

1 DEFINITIONS AND INTERPRETATIONS

The Company -	METRO FILMS LTD
Dispatch Office-	The Company's Equipment dispatch at 1/43A Linwood Ave, Mt Albert, Auckland, New Zealand.
Equipment-	The equipment and vehicles hired to the Customer.
The Customer-	The person, firm or company dealing with the Company.
Hire Charge-	The current hire charge for Equipment and Studios.
Hire Period-	The period for which the Company agrees to loan the equipment and/or a Studio to the Customer.
Studio-	The film studios and their standard lighting and other related fixtures and fittings hired by the Company.
Supplies-	The film and magnetic stock and other like materials sold by the Company.
Technicians-	Any known professional freelance or company technician

Unless otherwise agreed in writing with the Company in the case of Equipment hire, a day is a 24 hour period midnight to midnight.

These Terms and Conditions also apply to any gratuitous hiring of Equipment and/or Studios.

- 2. ALL EQUIPMENT AND STUDIOS** are hired, and Supplies are sold, strictly on the basis of these Terms and Conditions of Business. By hiring or buying from the Company, the Customer will be regarded as having accepted without qualification these Terms and Conditions and to accordingly be bound by them in respect of each and every hiring or purchase transaction between the Company and the Customer.
- 3. THE HIRE CHARGE** shall be paid by the Customer to the Company at the time or times, and in the manner specified by the Company. In the case of Equipment, the Hire Period and therefore Hire Charge commences at the time agreed or, if earlier, the time the Equipment leaves a Dispatch Office The Hiring and Hire Charge ends at whichever is the later, either the end of the Hire Period or when the Equipment is returned to a Dispatch Office. However, should the Customer fail to return the Equipment by the end of the Hire Period (or any extended period agreed in writing by the Company) then the Hire Charge payable from the end of the Hire Period until the Equipment is returned to a Dispatch Office, will for each overdue day or part day be twice the daily Hire Charge for the Equipment concerned. In the case of a Studio, the Hire Period and therefore the Hire Charge commences at the time agreed (whether or not the Customer begins to use the Studio at that time). The hiring and Hire Charge ends at whatever is the later, either the end of the Hire Period or when the Customer completely vacates the Studio leaving it in the same good condition it was in at the commencement of the Hire Period.

Should the Customer fail to vacate the Studio by the end of the Hire Period (or any extended period agreed in writing by the Company) then the Hire Charge payable from the end of the Hire Period until the Studio is completely vacated will for each overdue hour or part hour be twice the hourly Hire Charge for the studio concerned.

4. **THE CUSTOMER** is liable for all damage to, or loss or destruction of Equipment from any cause whatsoever (including the acts, whether negligent or not, of Technicians) from the time the Equipment leaves a Dispatch Office or the Company's charge until return to a Dispatch Office and will pay to the Company on demand the full current replacement price or full cost of repair of Equipment as the case may be. In addition all filter electric lamps and like items are supplied on the understanding that all deterioration and/or damage while in the Customer's possession is the responsibility of the Customer who is therefore liable to the Company for any such damage and/or deterioration.
5. **THE COMPANY** has arranged All Risks insurance for the Equipment on the best practicable terms its brokers can obtain. For this cover an additional charge equal to 10% of the total Hire Charge for the Equipment shall be paid by the Customer to the Company at the time or times specified by the Company. Under this insurance the Customer is responsible for excesses as required by the Company's insurance cover.

NOTE: Notwithstanding this insurance cover, or the fact that a charge is made for it, the Customer remains liable to the Company in terms of paragraph 4 above, to the extent that the insurance cover does not at all or does not fully cover the replacement or repair costs of Equipment damaged, lost or destroyed. Failing to comply with the requirements of paragraphs 8 and 9 below regarding the safety and use of Equipment will in most instances avoid the cover. It is therefore recommended that customers hiring Equipment consult with their insurer or insurance broker to discuss the possibility of obtaining cover for any uninsured risk policy exception. To enable this, a copy of the policy arranged by the Company may be inspected at the Company's Offices.

- 6 **IF ANY EQUIPMENT** shall be lost, damaged or destroyed by any cause whatsoever (including acts whether negligent or not, of Technicians) the customer will, until the equipment has been replaced or repaired, pay the Hire Charge on the Equipment (including, if applicable, the additional charge payable for exceeding the Hire Period).

NOTE: As liability arising under this paragraph is not covered by All Risks insurance arranged by the Company and referred to in paragraph 5 above, customers hiring Equipment should make sure they have adequate insurance to cover this liability.

- 7(a). **THE COMPANY** is not liable for any loss or damage to the Customer or its employees, clients or other parties (whether to their property, consequential or otherwise), contributed to or caused by:
 - i) Any defects, deficiencies or failure of Equipment, Studio, (or its facilities) or Supplies: or

- ii) Any failure to supply or delay in delivery of Equipment, Studio or Supplies: or
- iii) Early termination of Studio Hire due to damage or destruction of Studio or its facilities by fire or other cause: or
- iv) The act or omission (whether negligent or not) of any Technician: or
- v) Otherwise arising in connection with Equipment, Studio (or its facilities), Supplies or Technicians.

7(b). **THE CUSTOMER** releases the Company from, and indemnifies the Company against all claims, costs, damages, and expenses in consequence of loss or damage to third parties (whether to their property consequential or otherwise) contributed to or caused by circumstances (i) to (v) above.

NOTE: As the Company's Hire Charged are not proportionate to the sums of money involved in the work on which Customers may be engaged, these Terms and Conditions of Business (paragraph 7 in particular) exclude the Company from liability. It is therefore strongly recommended that the customer take out suitable insurance to provide protection from the risks it is required to carry by this paragraph - including delays to project.

8. **THE CUSTOMER** shall keep the Equipment in its custody and ensure it is used in a skilful and proper manner by persons having the necessary experience and familiarity with that type of equipment. The customer shall not attempt to repair, adjust or otherwise interfere with the equipment except insofar as it is necessary for its proper and normal use. The Customer must protect the Equipment from climatic and atmospheric conditions and take all reasonable precautions for its safety and security.

9. **THE CUSTOMER** shall advise the Company at all times of the situation of the Equipment and shall not take the Equipment out of mainland New Zealand; or without the specific prior consent in writing of the Company allow it to be used on any abnormal or hazardous assignment; or transport and/or use it on any aircraft other than on a regular flight by a recognised commercial airline. Without limiting the generality of the preceding sentence, Equipment is not to be transported in, or used on, any no commercial helicopters or light aircraft without the Company's specific written consent which may be given if the Customer agrees to pay the additional insurance premium for this risk. Nor is Equipment to be used where it could be affected by salt water or atmospheric corrosion. When using the Equipment, the Customer will comply with all relevant laws and regulations. The Customer shall return the Equipment to a Dispatch Office by the expiry of the Hire Period in good order and condition and shall notify the Company of any damage or defect arising during the hiring, or of any incident that occurred during the hiring likely to cause such defect or damage.

10(a). **THE CUSTOMER** will take good care of the Studio and its facilities and will ensure that they are used in a skilful and proper manner by suitably experienced persons. Any damage or defect to the Studio or its facilities arising during the hiring, or any incident that occurred during the hiring likely to cause such damage or defect, will be notified to the Company by the Customer by the end of hiring.

- 10(b).** **THE CUSTOMER** will not take any structural or other permanent alteration to the Studio (or its facilities) without first obtaining the consent of the Company in writing.
- 10(c).** **THE CUSTOMER** will at the end of the Hire Period vacate the Studio and the Studio (and its facilities) in the same good condition that it was in at the commencement of the Hire Period and will be responsible to see that the Studio is left locked and secure and that all electrical appliances are turned off and the Studio is otherwise left in a safe condition.
- 10(d).** **THE CUSTOMER** will use the Studio (and its facilities) only for their intended purpose and will not do anything in the Studio which is against the laws and regulations relating to fires, health, public safety or otherwise, or which would invalidate any policy of insurance on the Studio building or the Studio facilities.
- 10(e).** **THE CUSTOMER** will pay the Company for all electricity used in the Studio during the hiring. The payments shall be made at the end of the hiring. The payments shall be made at the unit rate notified to the Customer by the Company prior to the commencement of the Hire period. To enable the amount of electricity used to be determined the Company will read the Studio electricity meter at the commencement of the Hire Period and it is the Customer's responsibility to have the meter read again by the Company at the end of the hiring. If this is not done the Company may assess the amount of electricity used and charge for it accordingly.
- 10(f).** **THE CUSTOMER** will not do, or permit to be done, in or in connection with the Studio anything which may be, or become a nuisance or annoyance to the occupiers of any other building or property in the neighbourhood.
- 11.** **THE CUSTOMER** shall not sell, transfer, lend, sub-let, charge hire, pledge or part with the possession of any Equipment and will not permit any Equipment to be subjected to any lien. The Customer will not sub-let or part with possession of the Studio.
- 12.** **THE CUSTOMER** shall allow the Company access to the premises or location where the Equipment is for the time being, for the purpose of inspecting, repairing or repossessing the same. The Customer will allow the Company access to the Studio at all times and will comply with any directions from the Company as to the safe and proper use of the Studio and its facilities.
- 13.** **THE COMPANY** may terminate the hiring of Equipment or studio forthwith without prior notice in the event of the Customer failing to comply with any of these Terms and Conditions, or committing any act or omission which in the opinion of the Company prejudices its rights in, or the safety of any Equipment or Studio, or if the Customer defaults in payment of the Hire Charge or any other sum due to the Company or becomes insolvent or subject to bankruptcy or liquidation proceedings or compounds with creditors.
- 14.** **THE COMPANY** or its employees or agents give no warranty or representation (express or implied) to the Customer regarding the Equipment, Studio, or Supplies,

their respective condition, function or purpose for which required. The only warranty (express or implied) given with Supplies is such as may be given by their manufacturer.

NOTE: It is the responsibility of the Customer before hiring to check the functioning, completeness and suitability of Equipment and to inspect the Studio and its facilities.

15. **THE RIGHTS** of the Company shall not be deemed to have been waived or prejudiced by any relaxation or indulgence granted to the Customer, or by the acceptance of Equipment or Studio by the Company on the termination of any hiring or following repossession.
16. **CANCELLATION** by the Customer of booked or reserved Equipment or Studio will attract a cancellation fee of 100% of the total Hire Charge for the period the Equipment or Studio was booked or reserved. The Company may however at its discretion waive all or any part of the cancellation fee if in its opinion it has not been financially disadvantaged by the cancellation.
17. **IN THE CASE** of Supplies, they remain the property of the Company until the full price for them has been paid. Failure to pay the price when due entitles the company to repossess the supplies.
18. **NO BENEFIT** or obligation enforceable by any party other than the Customer or the Company is, or is intended to be created by any hiring, or purchase transaction between the Customer and the Company.