

## STANDARD TERMS AND CONDITIONS FOR DISTRIBUTION OF THEATRICAL RIGHTS:

### 1. Definitions:

- a) **'Delivery'** means physical delivery of the Film Material by the DISTRIBUTOR on the agreed delivery date, to the customs agent appointed for shipping/ transportation of the Film Material to the Territory;
- b) **'Dubbing'** means introduction of voices in the soundtrack of a film to replace the original dialogues of the film in any language/s and on any format for the purpose of enabling exhibition/ showing of the film to audiences speaking such language.
- c) **'Exploitation'** means the right to exhibit or broadcast the Film in its entire length via the medium, method and/or technology and/or in the manner permitted by the Rights.
- d) **'Film Material'** means Hindi version colour print of the Film subtitled in the English language, Publicity Material and the trailer of the Film.
- e) **'Theatrical Release'** means the Exploitation of the Theatrical Rights in the territory as mentioned in the Agreement during the Term.
- f) **'Theatrical Rights'** means the right to exhibit, show or play the Film in public places, such as licensed cinema halls but not hotels/ restaurants/ bars/ pubs by any manner or means and in any format (70mm/35mm/16mm/8mm) or in any medium to any audience which has paid or is deemed pursuant to any legislation to have paid for admission to such public. It also includes the right to exhibit, distribute, sub-license, market, advertise, publicize, derive revenues from and otherwise exploit the Theatrical rights of distribution exhibition and Exploitation of the Film (and trailers, there from) in the Territory, in Hindi language, by means of Theatrical exhibition only.
- g) **Interpretation**

In the Agreement, unless the context otherwise requires:

- (a) references to Recitals, Clauses, Appendices and Schedules are to recitals and appendices to, and clauses and schedules of, the Agreement;
- (b) the headings are for convenience only and shall not affect its interpretation;

(c) words denoting persons include bodies corporate and unincorporated associations of persons;

(d) references to the singular number shall include references to the plural number and vice versa;

(e) words denoting one gender shall include all genders;

any reference in the Agreement to a statutory provision shall include that provision and any regulation made in pursuance thereof as from time to time modified or re-enacted, whether before or after the date of the Agreement;

reference to "Party/ Parties" herein shall be deemed to mean a reference to the parties to the Agreement, unless otherwise specified;

In case of any conflict between the Main terms and the Standard terms, the order of superiority for purposes of derogation will be as per the following order: a) Main Terms; and b) Standard Terms

## **2. Rights:**

For the consideration hereinafter stated and subject to the fulfillment of the terms and conditions herein contained, the **DISTRIBUTOR** hereby grants the **SUB-DISTRIBUTOR** the sole and exclusive license to distribute the Film in the Territory by Exploiting the Theatrical Rights for the Period (hereinafter referred to as the "Rights") with respect to the Film, subject to the following:

(a) All intellectual property rights, including but not limited to the copyright in the Film and all creative rights pertaining to the Film shall, at all times, vest with the **DISTRIBUTOR**;

(b) The **SUB-DISTRIBUTOR** shall be entitled to exploit only the Rights granted hereunder subject to terms and conditions set out herein and shall not use or exploit any rights with respect to the Film that are not expressly given hereunder to the **SUB-DISTRIBUTOR** or are expressly omitted herein.

(c) The **SUB-DISTRIBUTOR** shall be responsible to ensure the prevention of piracy in respect of the Film in the Territory all shall take all steps necessary to prevent piracy of the Film and shall indemnify the **DISTRIBUTOR** in case of loss due to piracy of the Film.

## **3. Term:**

The Rights herein granted to the **SUB-DISTRIBUTOR** by the **DISTRIBUTOR**, shall be valid and subsisting for the Term . Upon the lapse of the Term the Rights granted to the **SUB-DISTRIBUTOR** under the Agreement shall revert to the **DISTRIBUTOR**. The

Agreement shall become effective from the date of execution hereof and shall be valid until the lapse of the Term.

#### **4. Agreements:**

4.1 The **SUB-DISTRIBUTOR** shall execute agreements/ deal memos/ contracts with the exhibitors and other concerned third parties for exploiting the Rights granted hereunder, in accordance with the applicable local law ensuring that all the terms and conditions set out herein and the obligations of the **SUB-DISTRIBUTOR** hereunder are enforced against and complied by such exhibitors and third parties whereby obligations of the **SUB-DISTRIBUTOR** hereunder with respect to matters such as sub titles, dubbing, editing/ altering/ amending/ deleting any portions of the Film, non-alteration of Publicity Material etc., shall also become the obligations of the exhibitors and other concerned third parties. In the event of breach of such obligations by the exhibitors and/or concerned third parties, the same shall be construed to be a breach by the **SUB-DISTRIBUTOR** of its obligations hereunder. The **SUB-DISTRIBUTOR** shall provide the **DISTRIBUTOR** with copies of the executed agreements/ deal memos/ immediately after execution of such contracts.

4.2 The **SUB-DISTRIBUTOR** shall be solely liable to exhibitors and other concerned third parties in respect of all matters pertaining to distribution and exhibition of the Film in the Territory and the **SUB-DISTRIBUTOR** hereby indemnifies the **DISTRIBUTOR** against any claims arising from them in respect of the distribution and/or exhibition of the Film in the Territory.

#### **5. Collections And Application:**

The **SUB-DISTRIBUTOR** shall collect all receipts from the Exploitation of the Theatrical Rights granted hereunder in the Territory whether directly by the **SUB-DISTRIBUTOR** or indirectly through agents/partners (*the 'Receipts'*), and shall apply and appropriate the net receipts from the same from month to month strictly in the manner and order appearing below, it being agreed that the expression "**Net Receipts**" wherever stated in the Agreement shall mean the Box Office Receipts of the Film:

5.1.1 Firstly in recouping the Minimum Guarantee as aforementioned;

5.1.2 Secondly, in recouping the Sanctioned Publicity Cost (as defined herein);

5.1.3 Thereafter, all balance Net Receipts (commonly known in the film trade as "**Over Flow**") shall be shared in the ratio as mentioned in the Agreement between the **DISTRIBUTOR** and the **SUB-DISTRIBUTOR** respectively.

5.2 The **SUB-DISTRIBUTOR** shall forward the **DISTRIBUTOR's** share as stated hereinabove on or before the twentieth (20<sup>th</sup>) day of the each month following the month

in which such Receipts have been received by the **SUB-DISTRIBUTOR**, in accordance with the requirements of Clause 6 hereof. Until delivery thereof to the **DISTRIBUTOR**, the **SUB-DISTRIBUTOR** shall hold the Over-Flow amount in trust for and on behalf of the **DISTRIBUTOR**. The **SUB-DISTRIBUTOR** shall effect the aforesaid payments in a timely manner and in the event of a delay or default in the same, the **SUB-DISTRIBUTOR** shall be liable to pay interest on the outstanding amounts @ 20% p.a starting from the date on which the monies become due and ending with the date on which the monies are paid.

5.3 The **SUB-DISTRIBUTOR** agrees that the **DISTRIBUTOR** is authorised to exploit the Direct to Home (DTH), Video on Demand (VOD), Pay per View (PPV), IPTV rights after expiry of three months from the first theatrical release of the Film and Satellite rights after expiry of Six months from the first theatrical release of the Film.

## **6. Costs:**

The **SUB-DISTRIBUTOR** shall bear solely and exclusively all costs, charges and expenses howsoever occasioned for the distribution and exhibition of the Film in the Territory and the **DISTRIBUTOR** shall not be responsible or liable for the same in any manner.

## **7. Payments:**

**SUB-DISTRIBUTOR** shall effect all payments due to the **DISTRIBUTOR** as herein mentioned in US Dollars by way of inter-bank SWIFT transfers and within the time periods appointed herein as per the bank details mentioned in the Agreement :

As regards the payment of the Overflow, it is hereby clarified that the **SUB-DISTRIBUTOR** shall effect payments of the **DISTRIBUTOR's** share in the Over Flow on a receipts basis, provided however that in the event that the **SUB-DISTRIBUTOR** does not receive the Receipts for reasons attributable to the **SUB-DISTRIBUTOR's** own relationship/accounts/ arrangements/ issues/previous history with the exhibitors and/or concerned third parties from whom the Receipts are due, then the **SUB-DISTRIBUTOR** shall be liable to pay the **DISTRIBUTOR's** share of the Over Flow to the **DISTRIBUTOR** within thirty (30) days of the each month following the month in which such Receipts have accrued to the **SUB-DISTRIBUTOR**. In other words, in such cases, the **SUB-DISTRIBUTOR** shall be liable to pay to the **DISTRIBUTOR** its share of the Over Flow irrespective of whether the same has been recovered by the **SUB-DISTRIBUTOR** from the exhibitors or other concerned third parties.

Immediately upon the failure of the **SUB-DISTRIBUTOR** to effect payments to the **DISTRIBUTOR** as contemplated herein, the **SUB-DISTRIBUTOR** shall be liable to indemnify the **DISTRIBUTOR** for all losses/ costs/ claims/ demands occurring there from.

8. **The Parties hereby agree that:**

In the event that the payments due from the **SUB-DISTRIBUTOR** to the **DISTRIBUTOR** hereunder cannot be remitted from a foreign country to the country of residency of **DISTRIBUTOR** on account of laws, regulations or administrative policies of such foreign country or the country of residency of **DISTRIBUTOR** prohibiting such remittance or imposing such monetary penalties or constraints on the same so as to effectively restrict such remittance or on account of any other problems such as political issues, war etc., (which shall not qualify as force majeure for the purposes of this Clause) (which payments are hereinafter referred to as the '**Blocked Payments**'), then at the **DISTRIBUTOR's** request, the **SUB-DISTRIBUTOR** shall deposit the Blocked Payments in an escrow account in the joint names of the **DISTRIBUTOR** and the **SUB-DISTRIBUTOR** with a bank in such foreign country as mutually agreed between the Parties. Such bank shall act as the escrow agent in respect of the Blocked Payments in accordance with the joint instructions of the **DISTRIBUTOR** and the **SUB-DISTRIBUTOR**.

The **DISTRIBUTOR** and the **SUB-DISTRIBUTOR** shall effect all necessary paper work to ensure that the bank releases the Blocked Payments to the **DISTRIBUTOR** upon the clearance of the events or circumstances on account of which the Blocked Payments could not be remitted to the **DISTRIBUTOR**.

9. **Accounts and Information:**

The **SUB-DISTRIBUTOR** shall maintain, for a period of three (3) years from the date hereof, complete detailed, permanent, and accurate books of account and records in respect of the distribution, exhibition of the Film and Exploitation of the Rights granted hereunder in the Territory including, but not limited to, detailed collections and sales by format, country and/or exhibitor, detailed billings thereon, detailed play dates thereof, detailed records of expenses that have been deducted from collections received from the exhibition of the Film, and the whereabouts of prints, trailers, accessories and other material in connection with the Film in accordance with Generally Accepted Accounting Principles (GAAP). The **DISTRIBUTOR** shall be entitled, directly or through its authorised representatives, to inspect and audit the accounts of the **SUB-DISTRIBUTOR** in respect of the Film and to take copies/extracts thereof if so desired. The **SUB-DISTRIBUTOR** shall submit to the **DISTRIBUTOR** half yearly statement certified by a chartered account in respect of revenues generated from the distribution of the Film, provided that the first such statement shall be submitted no later than seven (7) days from the Release Date.

The **DISTRIBUTOR** shall always be entitled to depute its representatives to all or any of the exhibition centres to check and supervise the accounts, sale of tickets, collections etc. of the Film and the **SUB-DISTRIBUTOR** shall provide all facilities and extend co-operation in respect thereof and also procure the co-operation of the concerned exhibitors for the same.

The **SUB-DISTRIBUTOR** shall regularly furnish to the **DISTRIBUTOR** biweekly statements upto 2 weeks after theatrical release date and thereafter weekly statements of box office collections.

#### **10 Prints:**

10.1 The **DISTRIBUTOR** shall deliver or procure delivery to the **SUB-DISTRIBUTOR** at the cost of the **SUB-DISTRIBUTOR** and the **SUB-DISTRIBUTOR** shall accept Delivery of the Prints of the Film in 35mm format for the Territory at the concerned location two (2) to four (4) days prior to the Release Date.

10.2 It is further agreed between the parties that the **SUB-DISTRIBUTOR** is bound by the Agreement to accept the Prints of the Film when delivered by the **DISTRIBUTOR** and should the **SUB-DISTRIBUTOR** fail to or refuse to take delivery of the Prints, all monies / consideration paid to the **DISTRIBUTOR** as per the terms of the Agreement herein shall stand forfeited by the **SUB-DISTRIBUTOR** and the **SUB-DISTRIBUTOR** shall be entitled to release the Film in any manner it deems fit.

10.3 The **DISTRIBUTOR** agrees to supply the **SUB-DISTRIBUTOR** as and when required, prints in addition to the Prints (hereinafter referred to as the "**Extra Prints**") at the costs mentioned in the Agreement herein against settlement of the cost thereof, provided that (a) the negative is in fit condition and raw stock is available; (b) the unrunnable/ unserviceable Prints are returned to the **DISTRIBUTOR**, freight paid; (c) the **SUB-DISTRIBUTOR** is not in any arrears of payment due to the **DISTRIBUTOR**; (d) any delay in the supply of such prints shall not be made a cause for claiming extension of the period of the Agreement; (e) no Prints shall be supplied during the last six months of the Term of the Agreement; (f) all such Prints shall be treated as Extra Prints.

#### **11. Publicity:**

11.1 The **SUB-DISTRIBUTOR** shall be entitled to spend the Sanctioned Publicity Cost for the Publicity of the Film in the Territory during the Period. The **SUB-DISTRIBUTOR** shall not be entitled to incur any expenditure beyond the Sanctioned Publicity Cost without prior consultation with the **DISTRIBUTOR** and if incurred, the same shall be borne solely by the **SUB-DISTRIBUTOR** and the **SUB-DISTRIBUTOR** shall not be entitled to recover the same from the Net Receipts of the Film as envisaged in the Agreement hereof. The **SUB-DISTRIBUTOR** shall, in accordance with the provisions of the Agreement hereof, maintain detailed records of the Sanctioned Publicity Cost, including but not limited to vouchers/ invoices/ receipts and deliver them to the **DISTRIBUTOR** together with the **DISTRIBUTOR'S** share in the Overflow, on the twentieth (20th) day of each month for the first quarter after the Release Date and on the twentieth (20th) day of every quarter thereafter.

11.2 The **DISTRIBUTOR** shall deliver to the **SUB-DISTRIBUTOR** the publicity materials as mentioned herein free of cost only after payment by the **SUB-**

**DISTRIBUTOR** to the **DISTRIBUTOR** of the Minimum Guarantee due at the time of delivery of the concerned Publicity Material The mode of the delivery of the Publicity Materials shall be the same as that employed for delivery of the Prints. The **SUB-DISTRIBUTOR** shall undertake the optimum utilisation and display of all the Publicity Material in the interests of the Film and in accordance with applicable law and regulations within the Territory.

It is agreed that the **SUB-DISTRIBUTOR** shall not undertake any change or alteration of any publicity material of the Film in any manner whatsoever, including but not limited to a change in the size, shape, format, colour, art work, creative work, design, composition, lettering (including the font size or type thereof) in/on the publicity material of the Film. The aforesaid restrictions shall also apply where the **DISTRIBUTOR** delivers any publicity material for the Film in the form of soft copies by electronic methods such as e-mail, CDs, diskettes, etc., and the **SUB-DISTRIBUTOR** shall not be entitled to change or alter the same in any manner whatsoever. However it is clarified between the parties hereto that in the event any restrictions are imposed by the Censor and/or Legal Authorities of the Territory in respect of any portion of the Film and/or publicity material and they instruct the **SUB-DISTRIBUTOR** to alter the same to meet their requirements, the **SUB-DISTRIBUTOR** shall be entitled to do such alteration in consultation with the **DISTRIBUTOR**.

The **SUB-DISTRIBUTOR** shall ensure that the exhibitors of the Film and any other concerned third parties involved in the Territory shall observe and be bound under the terms of the **SUB-DISTRIBUTOR**'s contract with them, the foregoing restrictions as regards the Publicity Material of the Film.

11.3 In case the **DISTRIBUTOR** is obliged to delay or stop the delivery of the Prints and/or Publicity Material to the **SUB-DISTRIBUTOR** owing either to any directive or decision of any statutory/ regulatory or other authority or any association such or their affiliates or similar association, the same shall not constitute a default on the part of the **DISTRIBUTOR** here under.

11.4 In case any governmental or local authority object to and/or ban the display of any Publicity Materials, the **SUB-DISTRIBUTOR** shall remove the same forthwith and/or refrain from displaying the same any where, failing which the **SUB-DISTRIBUTOR** alone shall be responsible and liable for any action which may be taken by the concerned authorities.

11.5 The Parties agree that:

11.5.1 the **DISTRIBUTOR** is the owner of the Publicity Material and the **SUB-DISTRIBUTOR** shall hold the same in trust for and on behalf of the **DISTRIBUTOR**;

11.5.2 the **DISTRIBUTOR** shall be entitled to cut, alter or delete any portion of the Film or add any portion in the same if and when it deems it fit and proper.

11.6 The **SUB-DISTRIBUTOR** shall indemnify and keep the **DISTRIBUTOR** fully indemnified against all claims of any nature whatsoever from any party by reason of acts/omission of the **SUB-DISTRIBUTOR** or any person acting through or under them or on their behalf expressly or impliedly in respect of or arising out of the Exploitation of the Film in the Territory.

## **12. Sub-distributors/ Agents/ Partners:**

The **SUB-DISTRIBUTOR** shall with written consent of the **DISTRIBUTOR** only appoint any agents or undertake partnership with any parties for the Territory or any part thereof and/or dispose off the rights herein granted in any manner whatsoever provided that (i) the rights assigned to such agents or partners shall not be higher than those assigned herein to the **SUB-DISTRIBUTOR**; (ii) the commission payable to such parties shall be borne exclusively by the **SUB-DISTRIBUTOR**; (iii) the **SUB-DISTRIBUTOR** shall provide to the **DISTRIBUTOR** complete information pertaining to such **SUB-agents/ partners** including but not limited to provision of copies of agreement, accounts and information and shall procure from such agents/ partners, as the case may be and deliver all of such information to the **DISTRIBUTOR** within the time periods specified herein (iv) the **SUB-DISTRIBUTOR** shall effect collections of Receipts from the agents/partners and pay the Overflow there from to the **DISTRIBUTOR** in compliance with the requirements of the Agreement, (v) the **DISTRIBUTOR** shall not be in any manner liable to or accountable for any acts of such aforesaid third parties and the **SUB-DISTRIBUTOR** shall be solely liable for the same; and (vi) the **SUB-DISTRIBUTOR** shall furnish the **DISTRIBUTOR** with a photo copy of the arrangement/agreement with each of such aforesaid parties within 5 days from the date of signing the same.

## **13. Territory:**

The **SUB-DISTRIBUTOR** shall not distribute or exhibit the Film anywhere outside the Territory beside the territory mentioned in the Agreement.

## **14. Undertakings:**

The **SUB-DISTRIBUTOR** hereby agrees: (i) Not to give or receive any Print and/or Publicity Materials of the Film by way of lease, hire, purchase, loan, rent or sale to or from any party other than **DISTRIBUTOR** or its authorised representative; (ii) to take utmost care for the safety of the Prints/ Publicity Material delivered to it and not to copy, mutilate, duplicate, alter, tamper with, destroy or damage the same and to be responsible for the safe custody of the same; (iii) to return forthwith to the **DISTRIBUTOR** freight paid, the Prints which become unserviceable and/or unrunnable; (iv) not to interpolate and/or add any bits and/or scenes in the Prints of the Film and the **SUB-DISTRIBUTOR** shall indemnify the **DISTRIBUTOR** from any action taken by any Government authorities in this behalf; (v) to exhibit the Film in regular shows at the main and strategic cinema houses at the time of the release of the Film anywhere in the Territory; (vi) to undertake all measures to ensure that no theft, piracy, copying or unauthorised

reproduction of the Prints and/or the Film in any Format (now known or invented) is undertaken in the Territory and to generally ensure that there is no infringement of the intellectual property rights held by the **DISTRIBUTOR** in relation to the Film and if the same occurs, then to undertake prompt and appropriate action to protect and enforce the rights and interests of the **DISTRIBUTOR** and to report the matter to the **DISTRIBUTOR** in writing within 24 hours of such event, for information and follow up; (vii) to effect timely payments to the **DISTRIBUTOR** of all amounts due under the Agreement, the same being the essence of the Agreement; and the **SUB-DISTRIBUTOR** hereby indemnifies the **DISTRIBUTOR** for any loss or damage caused to the **DISTRIBUTOR** on account of breach or non-performance by the **SUB-DISTRIBUTOR** of any of the foregoing undertakings.

#### **15. Covenants:**

The **SUB-DISTRIBUTOR** shall not: (i) create any charge, lien or interest on the Print and/or the Publicity Material; (ii) withhold the payment of the share of the **DISTRIBUTOR** in the overflow on any ground whatsoever; (iii) screen the Film at any cinema house without entering into a proper exhibition contract; (iv) enter into block-bookings for the Film with any other film; (v) give any rebate without the prior written consent of the **DISTRIBUTOR**; (vi) screen the Film on fixed hire basis at any centres where the population is more than 30,000 (thirty thousand) without the prior written consent of the **DISTRIBUTOR**; (vii) change the title of the Film at any time and/or under any circumstances whatsoever; and the **SUB-DISTRIBUTOR** hereby indemnifies the **DISTRIBUTOR** for any loss or damage caused to the **DISTRIBUTOR** on account of breach or non-performance by the **DISTRIBUTOR** of any of the foregoing covenants.

#### **16. Strategy:**

The **SUB-DISTRIBUTOR** hereby agrees and undertakes to distribute and exhibit the Film at all centres/stations in the Territory on judicious and advantageous terms and look into the suggestions, if any, given to it by the **DISTRIBUTOR** from time to time in respect of distribution and exhibition of the Film in the Territory.

#### **17. No Rights:**

The **SUB-DISTRIBUTOR** shall not be deemed to have any right, title or interest in the Film, either by virtue of the Rights granted hereunder or undertaking the distribution activities contemplated hereunder or otherwise;

#### **Representations:**

##### 17.1 Performance of Agreement

All Parties shall observe and perform all agreements, undertakings, indemnities, representations and warranties contained in the Agreement in compliance with the terms and conditions of the Agreement;

## **17.2 Solvency of SUB-DISTRIBUTOR**

The **SUB-DISTRIBUTOR** hereby jointly and severally represent and warrant that the **SUB-DISTRIBUTOR** is solvent and is not in danger of insolvency/ bankruptcy and that no orders or decrees have been passed or proceedings are pending against it declaring/ adjudicating or for declaring/ adjudicating it to be insolvent/ bankrupt/ liquidated and no receiver, trustee or any court officer is appointed in respect of the **SUB-DISTRIBUTOR**.

## **18. Confidentiality:**

The **SUB-DISTRIBUTOR** shall observe strict secrecy regarding matters pertaining to the Film, the distribution thereof and the terms hereof and shall not divulge or discuss the same with persons other than the **DISTRIBUTOR** and the director of the Film.

## **19. Notice:**

All notices under the Agreement shall be in writing and shall be sent by hand or by courier or by fax to the Party concerned at the address indicated hereinbefore.

## **20 Right and Authority:**

Parties hereby warrant, represent and declare that they have full legal right and authority to enter into the Agreement and perform all their obligations herein without future reference to any entity and they do not suffer from any legal disabilities and infirmities which would in any way affect their performance hereunder at any point of time.

## **21. Agency/ Partnership:**

The Agreement does not constitute and/ or shall not be deemed to be any arrangement of partnership or agency between the **DISTRIBUTOR** and the **SUB-DISTRIBUTOR**.

## **22. Waiver:**

No waiver of any terms and conditions of the Agreement shall be valid unless it is signed in writing by the Parties hereto.

## **23. Sole Understanding and Amendment:**

The Agreement constitutes the sole understanding between the Parties on the matters set out herein. Nothing contained herein shall be amended by the Parties hereto except by mutual agreement in writing.

## **24. Termination:**

The Agreement shall terminate:

24.1 Automatically:

(i) upon the expiry of the Term;

(ii) In case either Party is adjudged insolvent or a receiver, trustee or any court officer is appointed in respect of their concern, then the Agreement shall stand automatically cancelled and terminated;

24.2 At the instance of the **DISTRIBUTOR**, by a written notice to the **SUB-DISTRIBUTOR** which option shall be exercisable by the **DISTRIBUTOR** in case the **SUB-DISTRIBUTOR** fails to pay any of the instalments of the Minimum Guarantee to the **DISTRIBUTOR** on the date on which such instalment is due in accordance with the provisions contained hereinbefore;

24.3 In case of any breach of any terms and conditions of the Agreement by the **SUB-DISTRIBUTOR**, the **DISTRIBUTOR** shall give a written notice to the **SUB-DISTRIBUTOR** to rectify such breach within five days from the date of receipt of such notice. In the event of the **SUB-DISTRIBUTOR** failing to remedy the breach within 5 days from the receipt of such notice from the **DISTRIBUTOR**, the **DISTRIBUTOR** shall be entitled to terminate the Agreement at the risk and cost of the **SUB-DISTRIBUTOR**

#### **23.4 Consequences:**

**23.4.1.** On the expiry of the Agreement by efflux of time or its earlier termination in the manner set out in the Agreement owing to any default or breach or non – performance or non-observation of any of the terms and conditions of the Agreement by the **SUB-Distributor**, all rights granted herein to the **SUB-DISTRIBUTOR** will come to an end whereupon the **SUB-DISTRIBUTOR** will forthwith dispatch freight paid all prints of the Film and publicity materials relation to the Film, in its possession or in the possession of its agents or sub distributors or in the possession of the exhibitors in the Territory at such destination or destinations as the **DISTRIBUTOR** may direct and the **SUB-DISTRIBUTOR** will write to the concerned Film Exporters Association under advice to the **DISTRIBUTOR**, to deregister the Film from the name of the **SUB-DISTRIBUTOR**.

**23.4.2.** The **DISTRIBUTOR** shall be entitled to retain all amounts received from the **SUB-DISTRIBUTOR** till the time of such termination.

#### **24. Disputes/ Jurisdiction/ Governing Law:**

In the event of any disputes/differences arising out of or relating to the Agreement, the Parties hereto shall at first attempt to resolve the same by way of negotiations. In the

event of their failure to do so they may submit such dispute/differences to settlement by arbitration by sole arbitrator to be appointed by the Distributor. Such arbitration proceedings shall be conducted at country of residency of DISTRIBUTOR.. The award passed by the arbitrator/s in pursuance of such arbitration proceedings shall be binding upon both parties hereto. All such disputes/differences and arbitration proceedings shall be subject to the jurisdiction of the courts of law at country of residency of DISTRIBUTOR only. The Agreement shall be governed by the laws of country of residency of DISTRIBUTOR.