

GENERAL TERMS AND CONDITIONS

To the performance and licence contract between the House of Traditions and the performers commissioned by it

Effective from 14 April 2022

1. Scope of the General Terms and Conditions

- 1.1. The House of Traditions is a central budgetary body with full legal capacity, operating under the law of Hungary, which may enter into contracts in connection with its core activities and in order to perform its public tasks.
- 1.2. In these General Terms and Conditions (hereinafter: "Performer GTC" or "GTC"), the House of Traditions (hereinafter also referred to as: "HH" or "Client") sets out the general terms and conditions of the individual contracts concluded with the performer or his/her representative (hereinafter: "Performer" / "Representative") for the implementation of performances and the use of the performance or its recording (hereinafter referred to as "Contract"). The contracts of engagement **concluded with the Performers / Representatives**, including the elements of use, shall be **governed by these GTC (unless otherwise provided by mandatory law or by an individual contract between the parties)**.
- 1.3. Matters not governed in the Contracts or these GTC shall be governed by the provisions of Hungarian law, primarily, Act V of 2013 on the Civil Code, and the provisions of the relevant professional regulations.

2. Rights and obligations of the Parties

- 2.1. The Performer undertakes / the Representative warrants that the Contract will be performed by the Performer(s) in accordance with the professional rules and regulations, to the best of his/her knowledge, accurately and conscientiously, and that he/she has the necessary material and personal conditions.
If a performer - directly or through a Representative - does not appear in a fit state to perform and fails to perform to the expected professional standard, the Performer / Representative commits a material breach. If the Client is obliged to have the task performed by another person, the Performer/Representative may not claim remuneration even if he/she has already performed partial tasks under the Contract prior to the termination.
- 2.2. Following the performance (or the event comprising the performance, hereinafter also referred to as "performance" or "event"), the Client cannot store musical instruments, technical equipment, set elements or other objects brought to the event by the Performer/Representative, and the Performer/Representative must remove them. The Client shall not guarantee the safekeeping of unattended movable property that has not been removed, and any damage resulting therefrom shall be borne by the Performer / Representative.
- 2.3. The parties agree that if Performer also performs a small rights work, he/she will provide the Client with the data to be submitted to the collective rights manager in writing / electronically before the performance begins. Small rights royalties are paid by the organiser of the event to the collecting right manager based on the information provided by the performer. The Performer / Representative shall be liable for the legal consequences of any omission or incompleteness of the data, in particular, he/she shall compensate for any damage resulting therefrom.
- 2.4. The Client's contact person named in the Contract or a person authorised in writing by the Client is entitled to give instructions on behalf of the Client in connection with the performance and determine the Client's expectations in operational matters.
- 2.5. The Performer / Representative shall be fully responsible for compliance with and enforcing the applicable property, health and safety, fire protection, accident prevention, safety and security legislation, official and on-site regulations, in particular with regard to smoking. In the event of a breach of these rules that endangers the safety of life or property, the Client may withdraw from the Contract.
- 2.6. The Performer may use any instrument, in particular, musical instruments owned or operated by the House of Traditions, subject to the express agreement of the Parties and under the following conditions:
 - (i) Following the performance (or termination of the Contract for any reason prior to the

- performance), the Performer shall return the instrument(s) to the House of Traditions in perfect quality and condition without delay.
- (ii) The parties agree that if the performer does not return the tool/instrument used by him/her or does not return it in the original quality and condition, the amount of the damage calculated by the House of Traditions based on the value of the tool/instrument shall be paid to the House of Traditions within 8 working days of receipt of the relevant notice of the House of Traditions, by transfer to the bank account number indicated in the notice. The Performer/Representative shall otherwise be liable in accordance with the provisions of Act V of 2013 on the Civil Code (“Civil Code”) for the tool/instrument used and the damage caused to the tool/instrument.
 - (iii) The Performer is personally and exclusively entitled to possess and use the tool / musical instrument and may not transfer its possession and use to a third party. In the event of unauthorised transfer of possession and use of the tool/instrument, the Performer shall be liable for the conduct of the third party concerned and any damage caused by him/her as if the Performer had possessed or used the tool/instrument himself/herself or had caused the damage himself/herself. Unauthorized transfer of possession and use of the tool / musical instrument is considered a serious breach, in which case the House of Traditions is entitled to terminate the contract with the Performer / Representative with immediate effect.
- 2.7. If the Client incurs any damage due to the activities of the Performer/Representative or the represented performers under the Contract or the conduct of persons in his/her sphere of interest, the Performer/Representative shall compensate the Client within 8 days of the Client’s request to this effect, in particular, with regard to the payment of the amount spent on the repair or replacement of the equipment damaged due to the performers’ fault.

3. Remuneration

- 3.1. The parties stipulate that the fee set out in the Contract also includes the consideration for the use of the Performance (performer's performance) and the Performer / Representative shall not (in view of the nature of the engagement and the amount of the remuneration) claim, and waives, any separate royalty for the use of the Performance in the manner set out in the Contract (the fee includes the royalty) and shall not claim any additional royalty in connection with the use of the resulting work or neighbouring right performance other than the fee set out in the Contract. The Parties record that, unless otherwise provided for in the Contract, all additional costs related to the Performance (travel, clothing, board, etc.) shall be borne by the Performer / Representative and, therefore, he/she shall not be entitled to any additional remuneration, cost reimbursement or other payment.
- 3.2. In the event of late payment by the Client, the Performer / Representative shall be entitled to default interest at the rate provided for in the Civil Code in force on the date of default.

3.a. Provisions concerning Performers and Representatives obliged to issue an invoice

- 3.3. The Performer / Representative must attach to his/her invoice a certificate of performance signed by the person specified in the Contract. The Performer / Representative acknowledges that the Client will not accept invoices received without a certificate of performance or invoices that differ from the content of the certificate of performance or do not comply with the law, the consequences of which shall be borne by the Performer / Representative.
- 3.4. The Representative declares and undertakes to fully warrant that all tax and social security contributions and registration obligations relating to the fees to be paid under the Contract will be fulfilled by the Performer, who is not a private individual, or by the Representative of the Performers or a third party having a legal relationship with the Performers, in accordance with the applicable legislation. The Parties expressly stipulate that the Representative shall also be liable for any breach of the provisions of this clause, and the Client’s liability in this respect is excluded.
- 3.5. By signing the Contract, the Performer / Representative declares that
- he/she has no overdue public debts, and
 - he/she is not the subject of enforcement proceedings, winding-up proceedings or liquidation proceedings.

- 3.6. By signing this contract, the Performer / Representative declares that he/she/it qualifies as a transparent organisation under point 1 of Section 3 (1) of Act CXCVI of 2011 on National Assets.

The Performer / Representative acknowledges that if the House of Traditions becomes aware during the term of the Contract that the Performer / Representative was not a transparent organisation at the time of the conclusion of the Contract, the House of Traditions may withdraw from the Contract without any obligation to indemnify and reclaim the payments made to the Performer / Representative.

The House of Traditions may terminate the Contract with immediate effect without any obligation to pay compensation if the Performer/Representative ceases to be a transparent organisation due to a circumstance arising after the conclusion of the Contract during the term of the Contract.

The Performer/Representative shall notify the House of Traditions within five working days of any changes in the data related to his/her transparency, which constitute the basis of this quality, during the term of the Contract, and shall be fully liable for any damage resulting from failure to notify.

3.b. Provisions applicable to performers contracting as private individuals

- 3.7. The Parties stipulate that, if the Performer is a private individual, the Client shall arrange for the obligation to declare and pay advance tax and social security contributions in respect of the fees payable under the Contract based on the legislation in force in accordance with the declaration of tax and social security contributions delivered by the Performer to the Client.

4. Copyright and personality rights provisions

- 4.1. By signing the Contract, the Performer/Representative consents to the Client or a third party having a legal relationship with the Client to broadcast the performer's performance (Performance) under the Contract to the public, record it in a manner that allows for rebroadcasting (broadcasting), make a sound recording and/or audiovisual (television) recording from the sound recording, if necessary with editing (in particular, editing, cutting), make a sound recording / cinematographic work suitable for broadcasting, and use the recording containing the performer's performance or the sound recording / cinematographic work which may be made from the recordings, or extracts thereof, in the manner specified in the Contract, in whole or in part, without limitation as to the territory, duration or quantity, in a manner which may be transferred to third parties. The Performer/Representative also consents to the archiving and storing in a database of the audio and video recordings of the Performance and any audio/film recordings that may be made from the recordings, and to the transfer of this right to another organisation. The Client is entitled to transfer the rights of use under this clause to a third party and to bring an action for copyright infringement.
- 4.2. In the case of exclusive licensing, the Performer/Representative warrants that the Performance / in case of reproduction or distribution, the recording containing the Performance shall not be used by any third party other than the Client (or the person entitled to do so by agreement with the Client) during the licensed period, in the manner and to the extent permitted by the Contract. Any breach of the exclusivity obligations shall be considered a serious breach by the Performer/Representative.
- 4.3. The Performer/Contractor consents to the Client (or a person in a legal relationship with the Client) taking photographs or video recordings of the Performer (as a natural person) in connection with the Event or Performance under the Contract and storing them in its database, and to using these recordings on the Client's online platforms, or publish the recorded performance, sound recording on any medium, as well as for PR, advertising and marketing activities in connection with the Event, the publication and similar future events (in particular, for publication, broadcasting, reproduction and distribution, adaptation). The licence granted to the Client for the publication of a recording (image or video recording) of the image or sound is for an indefinite period of time, without territorial limitation, may be transferred to a third party and grants the Client the exclusive right of use.
- 4.4. The parties stipulate that only the Client or a third person authorised by the Client and having a legal relationship with the Client is entitled to make photographic, audio and audiovisual recordings of the performance. The Performer / Representative may only record the performance or make photographic, audio or video recordings of the performance or of the Performer with the express, separate permission of the Client.

- 4.5. The Client shall make every effort to ensure that no third party makes any unauthorised recordings of the performance, however, the Parties agree that, in view of the current state of technology, the Client cannot be held responsible for recordings made by the audience using technical devices (mobile phones, iPhone, Mp4, etc.) suitable for video and audio recording.
- 4.6. The Performer / Representative declares and unconditionally undertakes a warranty of title to that he/she exclusively holds the use rights assigned to the Client under the Contract or, if he/she has performed the service using the copyright and other intellectual property rights of third parties, he/she has entered into agreements with all the persons concerned, on the basis of which he/she is exclusively entitled to assign the rights of use granted to the Client under the Contract. The Performer/Representative warrants that the performance does not infringe any other law, in particular any personality right.
On the basis of the above, the Performer / Representative shall be directly liable for any claims brought by third parties against the Client for any infringement of copyright or personality rights or for claims based on any other title, and the Client's liability in this respect is excluded. Due to the direct liability of the Performer / Representative, the Performer / Representative may be directly approached or sued by the third party submitting the claim, and the Performer / Representative shall be obliged to participate as a defendant in the proceedings at the demand of the person concerned or the Client.

5. Consequences of breach

- 5.1. Failure by the Parties to perform their obligations in accordance with the provisions of the Contract shall constitute a breach. The Performer / Representative shall be in breach of contract if he/she fails to perform his/her duties in accordance with the provisions of the Contract, in particular, if he/she is late for the performance or fails to attend the performance or is not in a condition to perform to the required standard, or if he/she performs his/her duties in a manner contrary to the instructions of the Client or in breach of the legislation in force.
The Parties shall be entitled to terminate the Contract with immediate effect in the event of a serious breach by the other Party if the Party in breach does not cease such conduct despite the other Party's request to do so. The Client may enforce any claim arising under the Contract (e.g., for penalties, damages) by offsetting it against any other payment obligation existing or arising under the Contract or any other legal relationship with the Performer / Representative.
- 5.2. In the event of a breach by the Client of a non-essential provision of the contract, the Performer / Representative shall not be entitled to withhold his/her service due (or a proportionate part thereof).
- 5.3. If the service provided by the Performer/Representative is divisible, the consequences of the Performer/Representative's breach shall apply to the contract as a whole and the Client may exercise its rights arising from the breach for the whole contract.
- 5.4. If the Performer/Representative commits an interim breach in respect of its material obligations under the contract, the Client may exercise its rights arising from the breach in respect of the whole contract.
- 5.5. The Performer/Representative shall be liable for any violation of law or breach committed in the course of his/her activities. In this regard, the Performer / Representative acknowledges that in the event that any organisation condemns the Client in connection with the performance of the Performer / Representative, the Client will claim all damages incurred by it against the Performer / Representative even if the performance was otherwise accepted as contractual. The Performer / Representative undertakes to transfer the amount of the total pecuniary damage, non-pecuniary damage or financial advantage gained by him/her as a result of the infringement to the account number indicated by the Client within 8 (eight) working days of the notice to do so. If the Client is ordered to pay a fine or any other payment obligation is imposed on the Client in connection with the performance of the activities of the Performer / Representative, the Performer / Representative shall pay the amount of the fine directly to the rightful claimant or the person concerned by transfer within the time limit specified in the notice in order to remedy the damage, irrespective of any appeal against the decision, on the basis of the information provided by the Client with a copy of the decision and in accordance with its provisions.
- 5.6. If any authority or other body condemns the Performer / Representative in connection with his/her activities under the Contract or due to the conduct of persons within his/her sphere of interest, the Client shall be entitled to terminate the Contract with immediate effect, without proof of loss of interest and regardless of any legal remedy initiated by the Performer / Representative.

6. Term and termination of the contract

- 6.1. Unless otherwise agreed by the Parties in the Contract, the Contract shall enter into force on the date signed by the last Party and, depending on the duration of performance, shall be concluded either for an indefinite period of time or shall terminate upon accounting following the completion of the service for a fixed term, except for the licence to use the recording of the performance, which shall be valid and effective until the end of the licensed term.
- 6.2. The Contract may be terminated by the Parties:
 - a) By the mutual agreement of the Parties, at the time determined by the Parties;
 - b) By notice with immediate effect in the cases provided for in the Contract or in the event of a serious breach if the party in breach does not cease its breach despite the other party's demand.The contract may not be terminated by ordinary notice due to its subject matter.
- 6.3. This agreement shall also terminate in the event of force majeure, in particular, in the case of war, flood, epidemic, national mourning, general or national strike, which prevents the Client from holding the event or the Performer/Representative from reaching the concert venue.

7. Miscellaneous and final provisions

- 7.1. Any amendment of or addition to any provision of this Contract shall be valid only by mutual agreement of the Parties in writing, signed by the authorized representatives of the Parties. In the event that the Performer does not enter into this Contract directly, but through a proxy or representative (even a joint representative), the Representative represents that it is a lawfully operating legal subject capable of performing the Contract and entitled to represent the performer(s) participating in the event (production) and is fully entitled to represent the performers.
- 7.2. The parties shall treat all facts, circumstances and information concerning the other party or persons having a legal relationship with the other party, which they become aware of in connection with the performance of the Contract, as well as the agreement concerning their legal relationship (including the amount of the remuneration fee), as confidential business secret and keep them in such a way that no unauthorised third party can become aware of them. The Performer / Representative warrants that all documents and other materials relating to the services provided will be handed over exclusively to the Client.

A breach of confidentiality constitutes a breach of the contract and the injured Party may claim damages with or without terminating the contract. The contracting parties are bound by the duty of confidentiality even after the termination of the contract and they are also obliged to refrain from any conduct that would harm or endanger the legitimate interests of the other party.

The duty of confidentiality of the Parties shall not prevent them from fulfilling their legal obligation to disclose information.
- 7.3. The Parties undertake to respect each other's personal rights, in particular, the right to the protection of reputation. In the event of a breach of these rules, the aggrieved Party is entitled to terminate the Contract with immediate effect.
- 7.4. The Performer/Representative acknowledges that his/her contribution and the authorisation set out in the Contract do not constitute a commitment on the part of the Client to make or use a recording of the given performance.
- 7.5. The Parties stipulate that for the purpose of the conclusion and performance of the Contract, the names, positions and workplace contact details of the natural persons, representatives, employees and other contributors (hereinafter collectively referred to as "Contributors") of the Parties will be processed as personal data. The purposes of the processing are the preparation and conclusion of the contract, the preparation of documents generated during the performance of the contract and communication. The legal basis for the processing is the legitimate interest of the Parties in the performance of the contract, and the methods of processing are the recording, storage, use and erasure of personal data. The Parties process the personal data until the expiry of the retention period provided for in the contract or, in the case of the creation of a copyrighted work (or neighbouring work), for the entire duration of the licence granted to the Client. The sources of personal data with regard to their own contributors are the respective contracting parties as data controllers, who declare by signing the contract that they have informed their own contributors of the processing under this clause in a verifiable manner and have obtained their consent to the processing.

- 7.6. The Parties agree that in the communication between them, statements, notifications and communications sent by e-mail, personal delivery or registered mail shall be accepted as communications capable of producing legal effects.
- Unless otherwise agreed by the Parties, any legal declaration relating to the amendment or termination of the Contract or the enforcement of a claim arising from the Contract shall be delivered by registered post with acknowledgement of receipt or by a hand-delivered document received by the representative of the Party.
- Written declarations duly posted with acknowledgement of receipt shall be deemed to have been delivered on the fifth working day following the second delivery attempt of if the return receipt is returned with the indication "did not enquire", "moved", "refused", "addressee unknown", "delivery refused" or other similar indication. If the date of the second delivery attempt cannot be ascertained or if no second delivery attempt was made, the letter shall be deemed to have been delivered on the date on which the undelivered letter is returned to the sender by the post.
- 7.7. By signing the Contract, the Parties represent that they are authorised to enter into the Contract and that this Contract is not in contradiction with their contracts with third parties on the same subject.
- 7.8. The Performer / Representative shall notify the Client in writing within 3 calendar days of any changes in his/her organisational data that are relevant to the contract. The Client shall not be liable for the consequences of failure to notify the change.
- In the event of a change in the contact person indicated in the basic data, the parties shall inform each other in writing without delay, but no later than two working days after the change occurs. A change in the person designated to act as contact person does not constitute an amendment to the contract.
- 7.9. If the Performer / Representative enters any building (headquarters or premises) of the House of Traditions for the purpose of performing this contract or for any other purpose in connection with this contract, he/she undertakes to use the buildings and their accessories as intended, comply with the house rules and fire and occupational safety rules of the House of Traditions and cause his/her contributors and staff to comply with the same. By signing this contract, the Performer / Representative declares that he/she has come to know the House Rules as posted on the website of the House of Traditions (www.hagyomanyokhaza.hu), the Fire Safety Regulations and the Health and Safety Regulations and accepts them as binding. The Performer/representative is responsible for the conduct of the persons employed by him/her (in any legal relationship) and of any persons acting in his/her interest as for his/her own and shall make them aware of the regulations referred to above and ensure that they comply with their provisions.
- 7.10. The Parties stipulate that they will mutually agree on an appropriate amendment to achieve the purpose of the Contract if performance within the timeframe stipulated in the Contract would not be possible due to restrictive measures taken to avert and prevent the spread of the human pandemic caused by the COVID-19 coronavirus. In the absence of an amendment, the Parties shall have no claim against each other in the event of the impossibility of performance for any such reason beyond the control of the Parties.
- 7.11. The Parties stipulate that the House of Traditions is obliged to ensure healthy and safe conditions for its staff, its contracted contributors and the audience at its events and at events organised with its participation and, to this end, may balance the risk of infection even individually subject to compliance with the legal requirements. The Performer/Representative acknowledges that if required, either by law or as a result of the House of Traditions' own risk assessment, the House of Traditions may require its contributing partners, in addition to the general protective measures (e.g. mask, decontamination, safety distance), to prove that they are not infected with the COVID-19 coronavirus and/or to prove by a test specified by the House of Traditions that the contributor is not infected. If such a provision is made and the Performer/Representative fails to present such a certificate to the House of Traditions, the House of Traditions shall be entitled to cancel this Contract with immediate effect, with the proviso that the House of Traditions shall only be liable to pay the consideration for the services already rendered by the Performer/Representative but the Performer/Representative shall not be entitled to claim compensation for any preparation or any other costs, damages, forfeit money, etc.
- 7.12. In the case of a non-resident Performer / Representative, the Parties stipulate Hungarian law and the jurisdiction of Hungarian courts, unless otherwise provided for in the Contract.
- 7.13. Matters not regulated in the Contract shall be governed by the provisions of Hungarian law, in particular, Act V of 2013 on the Civil Code, the Copyright Act and the provisions of the relevant professional regulations.

7.14. The Parties shall try to settle any disputes arising out of the Contract primarily by negotiation, failing which they submit to the exclusive jurisdiction of the Central District Court of Buda in matters falling within the jurisdiction of the district court.