

TERMS AND CONDITIONS of Sale

TERMS & CONDITIONS OF SALE – EU

1. TERMS AND CONDITIONS

These terms ("Agreement") govern the sale of RED® branded goods between RED Digital Cinema, LLC and the Buyer ("Buyer"). RED Digital Cinema, LLC is the seller of RED branded goods and RED.COM, LLC is the manufacture of such RED branded goods. For the purposes of this Agreement, RED Digital Cinema, LLC and RED.COM, LLC are collectively referred to as "RED". This document acknowledges receipt of the Buyer's order by RED, and confirms the sale of product evidenced by the invoice as expressly conditioned on the Buyer's acceptance of the terms and conditions set forth herein.

2. PRICES

All published prices are subject to change without notice. Written quotations shall expire thirty (30) calendar days from the date of quotation unless withdrawn in writing sooner. Verbal quotations are provided for budgetary guidance only. Unless otherwise specifically stated, prices are in U.S. Dollars.

3. TERMS OF PAYMENT

A. **Deposits.** On orders requiring a deposit, Buyer must make a deposit equal to the amount specified by RED at the time of the order. Camera reservation numbers and delivery estimates are provided at the sole discretion of RED.

B. **Method of Payment.** Credit card payment via VISA, MASTERCARD, AMERICAN EXPRESS or DISCOVER is provided as a convenience with valid credit card authorizations. Please contact the RED Bomb Squad™ (Customer Service Department) for Remit To information when transferring bank to bank payments or visit RED's website for bank information. All orders are payable in U.S. dollars (USD).

C. **Standard Payment Terms.** All orders must be paid in full prior to shipment via wire transfer, cash equivalent (cashier's check or personal check drawn from a United States bank), or credit card. RED does not accept branch cash deposits or money grams. RED has the right to refuse any order, even after accepting payment or partial payment for such order. RED will credit/refund any such payment made by the Buyer, if RED rejects the order. Once Buyer has been notified that a product is allocated to them, the Buyer must have sufficient funds in Buyer's account to cover the cost of the product or remit payment in full within five (5) business days, or the order will be cancelled. All cancelled orders must be re-ordered (order position based on the re-order date).

D. **Deposit Payments.** Deposit payments may be remitted via credit card payments, wire transfer or cash equivalent (cashier's check or personal check drawn from a United States bank). No more than three separate credit cards may be used per payment. RED reserves the right to reject any order. RED will credit or refund any payments made if RED rejects the order.

E. **At-Once Order Payments.** At-once payments may be remitted via credit card payments, wire transfer or cash equivalent (cashier's check or personal check drawn from a United States bank). No more than three separate credit cards may be used per payment. If a credit card is provided at the time the order is placed, Buyer authorizes RED to charge that credit card for the full purchase amount at the time of shipping without additional confirmation from Buyer. RED reserves the right to reject any order. RED will credit or refund any payments made if RED rejects the order.

F. **Balance Payments.** Buyer must pay the full remaining balance of the invoice before order will be processed for shipment. Full balance payment must be made within five (5) business days of order confirmation or the order will be cancelled and the product allocated to the order will be released back to open inventory and may be unavailable thereafter. Balance payments may be remitted via credit card payments, wire transfer or cash equivalent (such as money order, cashier's check, or personal check drawn from a United States bank). No more than three separate credit cards may be used per payment. Buyer authorizes RED to charge the same credit card(s) used for the initial order deposit or charge the credit card on file for the remaining balance payment without additional confirmation from Buyer. RED reserves the right to reject any order. RED will credit or refund any payments made if RED rejects the order.

4. DELIVERY AND ACCEPTANCE

Unless otherwise provided by RED in writing, all product shipments shall be made Carriage Paid To Destination (CPT-Destination) from the RED facility at Irvine, California, at which time the title, risk of loss or damage shall pass to the Buyer when the products are transferred to the carrier. Buyer shall be the importer of record for all purchased products, if applicable. Licensing requirements for importation to non-U.S. countries is the sole obligation of the Buyer. In the absence of specific shipping instructions from the Buyer, RED will ship by the method it deems, in its sole discretion, most advantageous. Transportation charges will be collected prior to shipment. Unless otherwise specified, products will be shipped in standard commercial packaging. When special packaging or export instructions are requested by the Buyer, any additional costs will be the responsibility of the Buyer. RED reserves the right to reject certain shipping or packing methods. All sales where Buyer opts to use Buyer's preferred freight forwarder, the shipments will be made "ex works" (Incoterms 2010) from RED's facility, Irvine, California.

5.

RED shall use reasonable efforts to notify Buyer of any anticipated delays in delivery. RED will not be liable for any loss, damages or penalty resulting from delay in delivery.

6.

Acceptance of the product by the Buyer shall occur no later than fifteen (15) days after shipment. Product not rejected during this fifteen-day period shall be deemed accepted, and all returns shall be handled in accordance with Section 7 (Returns). Product cannot be rejected by Buyer based on criteria that were unknown to RED or based on test procedures that RED does not conduct.

7. RESTRICTIONS ON USE

Buyer will not cause or permit the modification or reverse engineering of file formats, tools, or image processing of RED products without express written consent from RED. Buyer will not develop tools from RED products or use non-RED approved tools, products, or software with RED products without express written consent from RED. Buyer will not cause or permit any reverse engineering of RED products. Buyer will not provide repair services for RED products without the express written consent from RED. Buyer will not use RED's trademarks, including as part of a domain or company name or in keywords or online search optimizations, without the express written consent from RED.

8. WARRANTY

RED warrants all products will be of good quality and free from material defects in materials and workmanship. Upon the expiration of the time periods identified below, all liabilities of RED will terminate. In no event shall RED be liable for consequential damages. RED may use refurbished parts for repairs or replacements. Certain products may be subject to a separate software license agreement.

A. Standard Warranty. A Standard Warranty is granted to the original purchaser by RED for a period of one (1) year, parts and labor, for the camera and camera accessories, Digital Media, RED ROCKET, and REDRAY device, excluding Batteries. Standard Warranty for Batteries is ninety (90) days or charge cycles of less than 400, whichever comes first. The Standard Warranty covers parts and labor charges for products that have been returned pre-paid shipment to an Authorized Service Center. All warranty returns shall

be done in accordance with RED's warranty Return Merchandise Authorization ("RMA") policy. Any repaired or replaced product shall be warranted as set forth in this section for a period the greater of (i) the balance of the applicable warranty period relating to such product or (ii) ninety (90) days after it is received by Buyer. Only the components that were repaired or replaced will be eligible for the 90-day period as set forth above. The Standard Warranty effective date is the date of "ex works" from Irvine or when Buyer picks up product at designated RED shipping facility.

9.

RED Refurbished Product Standard Warranty – All RED products sold as refurbished are warranted for a period of ninety (90) days.

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Certain RED products may contain an additional warranty beyond the Standard Warranty. Such a warranty only applies if the warranty is expressly contained on the product invoice. The warrant covers parts and labor for the period specifically stated on the product invoice.

A. Sensor Upgrade Standard Warranty. The Sensor Upgrade and associated parts and labor is warranted for a period of ninety (90) days. The Sensor Upgrade Standard Warranty covers parts and labor charges for products that have been returned pre-paid shipment to an Authorized Service Center. All warranty returns shall be done in accordance with RED's Return Merchandise Authorization ("RMA") policy. Any upgraded or replaced component shall be warranted as set forth in this section for a period the greater of (i) the balance of the applicable Standard Warranty period relating to such product or (ii) ninety (90) days after it is received by Buyer. The Sensor Upgrade Standard Warranty effective date is the date of "ex works" from RED's Irvine, California facility or when Buyer picks up product at designated RED shipping facility. All parts replaced by RED during the Sensor Upgrade are the property of RED and will not be returned to Buyer.

B. Optional Extended Warranty. A non-transferable Extended Warranty (RED Armor and/or Upgrade Armor) is available on select products for an additional cost. The Extended Warranty may only be purchased once during a product's lifetime and must be purchased prior to product shipment. The Extended Warranty is for a period (specified on the invoice) after the standard warranty ends, covering parts and labor for the covered product. The Extended Warranty does not cover Digital Media and Batteries. The Extended Warranty is non-transferrable. If the covered product is sold, the Extended Warranty automatically terminates. The Extended Warranty covers parts and labor charges for covered products that have been returned pre-paid by insured shipment to

an Authorized Service Center. All Extended Warranty returns shall be done in accordance with RED's RMA policy. In the event of a covered claim, RED will repair or replace (at RED's discretion) the product with a new, rebuilt or refurbished product of equal or similar features and functionality. Any repaired or replaced product shall be warranted for a period the greater of (i) the balance of the applicable Extended Warranty period relating to such product or (ii) ninety (90) days after it is received by Buyer. Only the components that were repaired or replaced will be eligible for the 90-day period as set forth above. The Extended Warranty is only available once per product.

11.

Warranty Limitations – All RED warranties do not cover (a) maintenance, repair or replacement necessitated by loss or damage resulting from any cause other than normal use and operation of the product in accordance with the RED's specifications and owner's manual, including but not limited to: theft, exposure to weather conditions, operator negligence, misuse, abuse, improper electrical/power supply; (b) alterations, modifications or repairs by Buyer or unauthorized third parties; © accident, disaster, improper handling or storage, droppage, modification to the camera, opening the camera body, use of non-RED cables, use third party accessories or acts of nature or any other peril originating from outside the product; (d) transportation damage, lack of maintenance, defective batteries, battery leakage; (e) cosmetic damage or other non-operating parts; (f) using a RED product in a manner other than intended usage for that product; and (g) charges related to "No problem found" diagnosis. Removal or modification of camera lens mount voids any and all warranties except when the lens mount is replaced by the Buyer with a RED approved lens mount. Breaking the seal on the camera body or removing the adjustable backfocus assembly is prohibited and voids any and all warranties unless otherwise approved by RED. Any parts replaced by RED during warranty repair are the property of RED and will not be returned to Buyer. RED may use refurbished parts for repairs or replacements. Notwithstanding any Re-Certified Product Warranty and/or Extended Warranty, the maximum warranty period for any RED product is five (5) years from the original purchase date.

12.

RED products are compatible with RED software, RED parts, and RED products only. Use of any software, parts, or products other than RED or RED approved (product on the RED Reviewed List) software, parts, and products voids any and all warranties. However, if the RED approved product directly or indirectly causes the damage to the RED product, RED will provide no warranty coverage for such damage.

13.

EXCEPT AS SPECIFICALLY SET FORTH ABOVE, RED AND ITS LICENSORS MAKES NO WARRANTIES, CONDITIONS, REPRESENTATION OR TERMS, EXPRESS OR IMPLIED, WHETHER BY STATUTE, COMMON LAW, CUSTOM, USAGE OR OTHERWISE AS TO THE RED PRODUCT OR ANY COMPONENT THEREOF, INCLUDING BUT NOT LIMITED TO NON-INFRINGEMENT OF THIRD PARTY RIGHTS, INTEGRATION, MERCHANTABILITY, SATISFACTORY QUALITY, OR FITNESS FOR ANY PARTICULAR PURPOSE. RED AND ITS LICENSORS DOES NOT WARRANT THE PERFORMANCE OR RESULT OF THE RED PRODUCT.

14.

THE SOLE REMEDY UNDER THIS WARRANTY SHALL BE THE REPAIR, REPLACEMENT, OR CREDIT FOR DEFECTIVE PARTS AS STATED ABOVE. THIS WARRANTY IS THE SOLE WARRANTY GIVEN BY RED AND IS IN LIEU OF ANY OTHER WARRANTIES EITHER EXPRESS OR IMPLIED. THIS WARRANTY EXTENDS TO THE BUYER AND IS NON-TRANSFERABLE TO OTHER THIRD PARTIES. RED WILL NOT BE LIABLE FOR ANY PROPERTY DAMAGE, LOST TIME, OR LOST DATA RESULTING FROM THE FAILURE OF ANY PRODUCT OR EQUIPMENT OR FROM DELAYS IN SERVICE OR THE INABILITY TO RENDER SERVICE.

15.

California Only – With respect to California Buyers, the Extended Warranty may be cancelled by Buyer for any reason, including, but not limited to the covered product is lost, stolen or destroyed. If Buyer cancels the Extended Warranty within 30 days from the purchase of the Extended Warranty in writing and has not made any Extended Warranty claims, Buyer will be refunded the full Extended Warranty purchase price. If the Buyer cancels the Extended Warranty after the 30 days, the Buyer will be refunded a pro-rated amount of the Extended Warranty price, less any claims paid, less an administrative fee of 10% of the Extended Warranty price, unless otherwise precluded by law.

A. Third-Party Warranty. RED does not honor warranty agreements extended by third parties. Only warranty agreements granted by RED will be honored by RED. RED warranties do not cover damage caused by third party products (including approved third party products).

B. RED Re-Certified Product Warranty. All Electronic Products (e.g. RED ONE, RED LCD, RED PRO LCD, RED EVF) that are not possessed by the original Buyer may be sent to an Authorized RED Service Center for an evaluation fee of \$100. RED will provide a quotation for the re-certification of the product to existing RED product specifications at

time of repair. The Customer is responsible for all costs associated with such re-certification, such as troubleshooting, diagnosis, repair, test, calibration, and shipping costs. The evaluation fee will be applied to the cost of the re-certification if the cost of the re-certification is greater than the evaluation fee. Upon completion of re-certification, customer may be offered a RED Re-Certified Product Warranty and/or a RED Armor Extended Warranty for an additional cost.

16.

"Customer" is defined as an entity who obtained RED product by other means than directly from RED. Product re-certification is only available to a Customer and is limited to a one re-certification per Customer upon a change of ownership. As part of the process, RED will register the Product to the new Customer.

17.

A RED Re-Certified Product Warranty is valid for a period of ninety (90) days for the camera and camera accessories after the warranty is accepted by the Customer. RED Re-Certified Product Warranty is not available for Digital Media and Batteries. Customer may be eligible for the Extended Warranty if a product is Re-Certified within one year of original purchase, for an additional cost. RED Re-Certification Product Warranty is subject to Warranty Limitations listed in Section 6a above.

A. Non-Warranty Repair. Product that no longer qualifies for Warranty Repair may be sent to an Authorized RED Service Center for an evaluation fee of \$100. RED will provide a quotation for the repair of the product. The Customer is responsible for all costs associated with such refurbishment, such as troubleshooting, diagnosis, repair, test, calibration, storage, and shipping costs. The evaluation fee will be applied to the cost of the refurbishment if the cost of the refurbishment is greater than the evaluation fee. Any repaired or replaced product shall be warranted for ninety (90) days after it is received by Buyer. Only the components that were repaired or replaced will be eligible for the 90-day period. Any parts replaced by RED during non-warranty repair are the property of RED and will not be returned to Buyer. RED may use refurbished parts for non-warranty repair.

B. Storage Fees. Storage fees will be charged on products that are not claimed within thirty (30) days of repair or evaluation. Storage fees will be charged at RED's then current storage fee rates. Products not claimed after six (6) months will be considered abandoned and will become the property of RED automatically, without notice.

18. RETURNS

Buyers must obtain a Return Merchandise Authorization ("RMA") prior to the return of any product. Cameras may only be returned for refund within ten (10) days of original delivery by RED at shipping address specified by Buyer and with less than 25 hours of run time and pass RED Inbound Quality Control ("IQC"). Accessories, except Digital Media and Batteries, may be returned for refund within ten (10) days of original delivery by RED at shipping address specified by Buyer and pass RED IQC.

A. **Factory Seal.** If the factory seal on the product has been broken or if the product is being returned after ten (10) days from the original delivery, a return will not be accepted, unless RED gives specific approval for such a return after evaluation (subject to \$100 evaluation fee) and the returned product is subject to a 30% restocking fee. All equipment must be shipped in as new condition and in the original shipping materials. Refunds are subject to an evaluation of the merchandise upon receipt at RED as defined above, in addition to other tests to ascertain condition of returned goods. A refund less the restocking fee will be provided within thirty (30) days of completion of evaluation of goods at RED.

B. **Shipping.** Buyer is responsible for shipping costs to return product to RED. For Buyer's protection, RED recommends that the Buyer uses a traceable and insurable form of mail for shipment.

C. **Buyer has ten (10) days from the date the RMA is issued to deliver the product to RED.** All product not delivered ten (10) days after the RMA was issued will not be considered eligible as a return for credit and RED will return product to Buyer and Buyer will assume all shipping costs.

D. **Dangerous Goods Requirements.** Buyer acknowledges that Buyer has been advised of the Dangerous Goods shipping requirements relating to lithium ion batteries. If Buyer's return includes a lithium ion battery, Buyer agrees to have the battery shipped by a certified shipper of Dangerous Goods. Buyer further agrees not to attempt to ship any lithium ion battery that has been physically damaged. Buyer agrees to indemnify and hold RED and its employees harmless from any and all liability arising from Buyer's failure to comply with this provision.

E. **Export and Re-Export Restrictions and Regulations.** Buyer agrees to comply with all export and re-export restrictions and regulations of the Department of Commerce and any other United States or foreign agencies and authorities in connection with Buyer's use of RED products and services. Buyer agrees to not violate any local, state, federal or foreign laws. Buyer agrees not to transfer or authorize the transfer of any materials to a prohibited country in violation of any laws. In particular, but without limitation, the materials may not, in violation of any laws, be exported or re-exported (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Commerce Department's Table of Deny Orders or U.S. Department of Commerce Entity List of proliferation concern, or the U.S. State Department Debarred Parties List. By using any materials subject to any such

restrictions and regulations, Buyer represents and warrants that Buyer is not located in, under the control of, or a national or resident of any such country or on any such list.

19. CUSTOMER SOURCE INSPECTION

A fee of \$100.00 will be charged for any order requiring customer source inspection or receipt of goods, at the RED facility.

A. No-Trouble Found Inspection Fee. Any product sent to RED for inspection or evaluation where RED finds no defects or problems with RED product will be subject to a No-Trouble Found Inspection Fee of \$100. The No-Trouble Found Inspection policy is in place to encourage the Customer to exhaust all technical support resources before shipping product to RED.

20. LIMITATION OF LIABILITY

IN NO EVENT SHALL RED OR ITS LICENSORS BE LIABLE TO BUYER FOR ANY INDIRECT, CONSEQUENTIAL, PUNITIVE, INCIDENTAL, OR SPECIAL DAMAGES, OR ANY DAMAGES WHATSOEVER RESULTING FROM LOSS OF USE, DATA OR PROFITS (HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY), EVEN IF RED OR ITS LICENSORS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL RED'S OR ITS LICENSORS' LIABILITY FOR A PRODUCT (WHETHER ASSERTED AS A TORT CLAIM, A CONTRACT CLAIM OR OTHERWISE) EXCEED THE AMOUNTS PAID TO RED FOR SUCH PRODUCT. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT, IN NO EVENT SHALL RED'S LIABILITY FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT EXCEED THE AMOUNTS PAID BY BUYER TO RED FOR PRODUCT IN THE LAST TWELVE (12) MONTHS. IN NO EVENT WILL RED OR ITS LICENSORS BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS BY BUYER. IN NO EVENT SHALL RED OR ITS LICENSORS BE LIABLE FOR DAMAGES ARISING OUT OF ANY LATE DELIVERY. THE LIMITATIONS SET FORTH HEREIN SHALL APPLY TO ALL LIABILITIES THAT MAY ARISE OUT OF THIRD-PARTY CLAIMS AGAINST BUYER. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE LIMITATION SET FORTH IN THIS SECTION SHALL APPLY WHERE THE DAMAGES ARISE OUT OF OR RELATED TO THIS AGREEMENT.

21. INDEMNIFICATION

Buyer shall indemnify, defend, and hold RED and RED's officers, agents other representatives and licensors harmless from all demands, claims, actions, causes of actions, proceedings, suits, assessments, losses, damages, liabilities, settlements, judgments, fines, penalties, interest, costs and expenses incurred (including fees and

disbursements of legal counsel) of every kind (i) based upon personal injury or death or injury to property to the extent any of the foregoing is proximately caused Buyer's misuse of the product or by the negligent or willful acts or omissions by the Buyer, or (ii) based on any breach of this Agreement by Buyer.

22. PROPRIETARY INFORMATION

RED retains for itself and its licensors all proprietary rights, including without limitation all patent, trademark, trade secret, copyright and other intellectual property rights in and to all RED designs, manufacturing processes, engineering details, and other data pertaining to any product sold except where the rights have been assigned pursuant to a written agreement with a corporate officer of RED. The products are offered for sale and sold by RED on the condition that such sale does not convey any right, express or implied, stated or otherwise, under any intellectual property or manufacturing process. RED and its licensors expressly reserves all intellectual property rights in the product. Without limited the foregoing, all software included in the products (including any updates to such software provided to Buyer, if applicable) is licensed to Buyer, not sold, and Buyer shall not transfer any such software apart from the product, or modify, decompile, disassemble or reverse engineer or otherwise attempt to derive the source code of such software.

23. NON-WAIVER

Failure of RED to insist upon strict performance of any terms and conditions herein shall not be deemed a waiver of any subsequent default of terms and conditions thereof.

24. LAW GOVERNING AND EXCLUSIVE JURISDICTION

This Agreement is to be interpreted in accordance with the laws of the State of California, United States of America. The sale of any RED product to Buyer is considered to have taken place in Orange County, California and shall be governed by this Agreement. This Agreement will not be governed by the conflict of law rules or the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded. Exclusive jurisdiction for any dispute arising from the terms and conditions of this Agreement shall be Orange County, California and both Buyer and RED waive all rights to have a dispute brought elsewhere.

25. SEVERABILITY

If any of the terms and conditions of this Agreement are held to be invalid under any applicable statute or rule of law, they are, to that extent, deemed omitted.

26. COMPLETE AGREEMENT

The terms and conditions set forth herein comprise the entire Agreement between RED and the Buyer.