

5. PAYMENT CONDITIONS & CANCELLATION POLICY

5.1 CONFIRMATION OF THE PRODUCTION

On the award date, the Advertiser or its Communication Agency shall issue a purchase order (PO) to the Production Company. The total amount specified on the PO must accurately correspond to the total amount of the approved offer, as agreed upon in the finalized production budget.

Prior to issuance, the contracting party must verify that all details on the PO, including the specified amount, align precisely with the terms and conditions of the approved offer.

The issuance of the PO constitutes a binding agreement between the Advertiser or its Communication Agency and the Production Company, obligating both parties to adhere to the terms specified therein, including the approved budget.

5.2 PAYMENT TERMS

Productions in Belgium:

- 50% Advance: After receiving the PO, which must state the full amount of the approved offer and not just the advance payment, the Production Company will send an advance invoice for 50% of the total amount. This invoice should ideally be paid before the preproduction meeting and no later than 5 working days before the first shooting day.
- 25% Advance: The Production Company can invoice 25% once the shooting is completed. If the Production Company is not handling post-production, the remaining 50% will be invoiced once the shooting is completed.
- 25% Balance: The Production Company can invoice the remaining 25% (plus any agreed additional costs) once the production has been delivered.
- Payment Terms: The second advance invoice and/or the balance invoice must be paid no later than 30 days.

Productions Abroad:

- 75% Advance: After receiving the written order, the Production Company can issue an advance invoice for 75% of the total amount. This invoice should ideally be paid before the pre-production meeting and no later than 5 working days before the first shooting day.
- 10% Advance: The Production Company can then invoice 10% once the shooting is completed. If the Production Company is not handling post-production, the remaining 25% will be invoiced once the shooting is completed.
- 15% Balance: The Production Company can invoice the remaining 15% (plus any agreed additional costs) once the production has been delivered.
- Payment Terms: The second advance invoice and/or the balance invoice must be paid no later than 30 days.

Invoices from the Production Company for buyouts (including renewals) must be paid by the Communication Agency before the first usage of the commercial or the content.

If written confirmation of the production has not been issued or received, or if payments are not made on time, the Production Company reserves the right to suspend all work on the project until such confirmation is obtained, and all due payments are made. In any case, the shooting of a production will not commence until the initial deposit payment has been received.

All materials, including those delivered by the Production Company, remain the property of the Production Company until all payments have been made in full. The Production Company retains ownership rights and may reclaim any delivered materials if the agreed payment terms are not fulfilled in their entirety.

The approval of the finished commercial cannot be unreasonably delayed or withheld, and the agreed-upon timeline must be respected. If the Advertiser or its Communication Agency fails to adhere to this timeline, the Production Company reserves the right to charge additional costs incurred from rescheduling the timeline.

When payment is made through the Communication Agency of the Advertiser, a delay in payment from the Advertiser to the Communication Agency will not be considered a valid reason for late payment to the Production Company. Legally, the Communication Agency remains responsible for all payments to the Production Company and any suppliers involved, irrespective of any delays from the Advertiser.

5.3 FLUCTUATIONS AND EXCHANGE RATES

With productions being filmed on locations abroad, currency exchange rates and their fluctuations must be considered. When a production offer is based on a price estimated in a currency outside the Euro-zone, the Production Company will set the exchange rate. Any increase or decrease in the exchange rate will be reviewed on the payment day by the Advertiser, which could either benefit or disadvantage the payee.

5.4 CANCELLATION POLICY

When a production is cancelled after it has been awarded to an independent Production Company, the company will prepare a cancellation budget based on the originally agreed-upon offer.

This cancellation budget will provide a transparent overview of the costs already incurred by the Production Company for the project, including cancellation fees and a portion of the lost markup as of the cancellation date.

If the production is cancelled within 48 hours before the scheduled shoot day(s), the Production Company is entitled to the full markup agreed upon in the offer.

The cancellation notice must be provided in writing by the contracting party to the Production Company.

