

## Comparing VPF Exhibitor Conditions (DCN's vs Omnilab's vs Cinedigm's)

<u>Principle VPF Contract Terms and Condition</u>	DCN	Omnilab	Cinedigm ICAA
<u>VPF Full Amount</u> Amount paid for a full Virtual Print Fee	\$750	\$750	\$725
<u>VPF Term</u> Years available to collect recoupment's	9 Years	8 Years	7 Years
<u>VPF Rollout Period</u> Date by which cinema may join/install equipment associated with the VPF scheme	3 Years	3 Years	15 Months
<u>VPF Contract Term</u> The Term of the VPF contract with the Studios	12 Years (est. Sept 2022)	11 Years (est. Dec 2022)	7 Years (March 2020)
<u>Recoupment amount (Existing/New Builds)</u> Percentage of out-of-pocket costs and finance expenses recoupable (*1 note New Build condition below)	75%/50%	75%/50%	75%/50%* <sup>1</sup> 56%/37%* <sup>2</sup>
<u>Initial Deployment Fee</u> This fee is due in association with a screen entering into the VPF screen	\$1,000	\$1,500	\$1,800
<u>Overhead and Ongoing Costs</u> Integrator recoupable costs associated with running the VPF	\$9,000	\$20,000* <sup>3</sup>	\$12,000
<u>VPF Service Fee</u> A percentage fee charge on the handling of VPF payments		5% of VPF payment* <sup>3</sup> (est. \$5,000)	
<u>Support Service Fee</u> Network and support fees charge to the exhibitor (no covered by VPF recoupment)	\$2,600* <sup>4</sup>	\$2,800* <sup>4</sup>	\$2,550* <sup>5</sup>

Note:

\*1 – Cinedigm's conditions state that any screen established after 1 Nov 2010 is treated as a 'New Build Screen', and not as an 'Existing Screen'. This could be interpreted as an indication of the point in time Studios expected the original VPF to be operational.

\*2 – Recoupment reductions on existing equipment due to VPF starting 2.5 years after the end of 2010. (10% straight line yearly depreciation)

\*3 – Overhead and VPF Service fee charge \$20,000 plus est. \$5,000 (totals \$25,000, and is over double Cinedigm and DCN)

\*4 – Both parties had 3% CPI increases calculated into forecasts (ICAA Service costs are estimates, and future charges are not fixed)

\*5 – Based on Cinedigm/ICAA PowerPoint VPF presentation for a non-ICAA member charge with a 2 screen theatre

## Notes from

MASTER DIGITAL CINEMA AGREEMENT - AUSTRALIA  
Between  
CINEDIGM DIGITAL CINEMA AUSTRALIA PTY LTD (ACN 160 019 143)  
("CIDM")  
and  
ICAA SERVICES PTY LTD (ABN 57 156 114 108)  
("ICAA Services")  
and  
\_\_\_\_\_  
("Exhibitor")

### Delivery Reverences

14. DELIVERY. Exhibitor shall permit at least two (2) content delivery vendors not affiliated with CIDM or Exhibitor (to the extent they exist) to have access to the Digital Systems for the purpose of delivering any content. **Exhibitor agrees to use its commercially reasonable efforts to play content available from providers using Cinedigm's content delivery service.** Exhibitor agrees that it will not enter into any other agreement with a third party that would be exclusive and/or otherwise prohibit Cinedigm or another Distributor from booking, distributing, and/or delivering digital content to Exhibitor's theatres.

### Theatre Management System (TMS) References (referred to as a 'NOSS')

#### 1. DEFINITIONS

"Central Server" means, collectively for each Complex, an ICAA Services and CIDM approved central library server with NOSS and database software installed, together with a storage array, computer rack, uninterrupted power source (UPS), main switches and patch panels.

"NOSS" means ICAA Services and CIDM approved network operating system software installed in any Central Server at the time of delivery of such Central Server to Exhibitor, as updated by any update made available from time to time for use on the Digital Systems.

#### 1. DCI SPECIFICATION

(d) CIDM shall have the right to perform routine and emergency upgrades to the NOSS on an as needed basis as CIDM determines in its reasonable discretion. In the event of actual or reasonably likely emergencies, Security Failures, or Endemic Quality Failures affecting the Digital Systems or any other digital systems that are the subject of a Distributor Agreement, CIDM has the right to perform emergency upgrades to the Digital Systems. In the event such actual or reasonably likely emergencies, Security Failures or Endemic Quality Failures on the Digital Systems may **affect CIDM's rights in other digital systems that are the subject of a Distributor Agreement**, then such systems may be suspended pending a cure or may be terminated for failure to cure. Exhibitor shall not do anything which would render Digital Systems non-compliant with, or prevent Digital Systems from being compliant with, the DCI Specification during the Term, and as such it is recommended that Exhibitor only use the equipment manufacturers' recommended and approved replacement parts.

11. SOFTWARE LICENSE. The NOSS is subject to the terms and conditions of the NOSS agreement entered into between Cinedigm and Exhibitor (**the "NOSS Agreement"**). Exhibitor shall not modify the NOSS, make any copies of the NOSS, seek to reverse engineer or decompile any of the NOSS, or transfer the NOSS or any copies thereof other than as set forth in the NOSS Agreement.

#### 25. INVOICING, AUDIT, INSPECTION AND ACCESS RIGHTS .

(b) Any payment obligations under this Agreement, if any, from Exhibitor to CIDM shall be paid as follows: CIDM shall issue one invoice to Exhibitor per month for the payment obligations due. Exhibitor shall pay invoices net thirty (30) days after the date of the invoice. All amounts due under this Agreement from Exhibitor to CIDM shall be paid in full without any deduction or withholding other than as required by law, and

Exhibitor shall not be entitled to assert any credit, set-off, deduction, counterclaim, or abatement of any nature whatsoever against CIDM in order to justify withholding payment of any such amount in whole or in part. CIDM shall have the right to deduct from the Usage Payments any payments owed by Exhibitor to Cinedigm under the NOSS Agreement in the event Exhibitor does not make such payments in accordance with the NOSS Agreement.

33. CONFIDENTIALITY.

(a) Exhibitor acknowledges that any confidential and/or proprietary information about CIDM and/or its Affiliates, Distributors, vendors, or any of its or their contractors provided through any means of communication by such party, such party's Affiliates, representatives or independent public accountants or auditors, banks and financing entities or through personal observation will be considered "Confidential Information," including but not limited to the terms of this Agreement, the fact and substance of all discussions or correspondence relating to, and the existence of, this Agreement, any trade secrets of CIDM, vendors, and Distributors, the Digital Systems and NOSS and their configuration and operation, information exchanged in connection with the use of the Digital Systems and NOSS, including without limitation any CIDM, vendor, Distributor, or other third party information, and any content exhibited on the Digital Systems. Exhibitor's officers, employees, agents or representatives during the Term will have access to and come into contact with, Confidential Information.

***EXHIBIT I***

SERVICE, ICAA SERVICES NOC, AND REPORTING REQUIREMENTS

Service:

**Exhibitor shall be a party to an End User and Support Agreement for the NOSS throughout the Term of this Agreement.**