

# Mad Invest General Terms and Conditions

[Version 1, 24.9.2020]

## 1. Scope

- 1.1. Swissploitation Films GmbH, Langstrasse 14, 8004 Zürich, Switzerland (“Swissploitation”) issued a proposal dated September 24, 2020 (the “Proposal”) to eligible investors to participate in the investor program for the funding of Swissploitation’s “MAD HEIDI” film (the “Mad Invest Program”).
- 1.2. The aim of Swissploitation is to crowdfund, produce and distribute a movie as further described in the Proposal (“MAD HEIDI Film”).
- 1.3. These general terms and conditions (the “GTC”) govern the Mad Invest Program and apply to all investors (each a “Mad Investor”) and participants in the Mad Invest Program (together the “Participants”). The Proposal forms an integral part of these GTC and any terms defined in the Proposal shall apply to these GTC (the GTC and the Proposal together the “Agreement”). In case of a conflict between the Proposal and the GTC, these GTC shall prevail.

## 2. Mad Invest Program Participation

- 2.1. The details of the participation process in the Mad Invest Program are indicated on the invest.madheidi.com website (the “Website”) as well as in the Proposal and may be amended by Swissploitation in its sole discretion. Failure to follow the instructions on the Website may limit, delay, or prevent a user from participating.
- 2.2. Subject to (i) the Participant meeting all participation criteria, (ii) availability of Mad Invest Shares, (iii) the successful financing of the MAD HEIDI Film, and (iv) the full payment of the selected contribution amount, if any, as per the instructions of Swissploitation (the “Contribution Amount”), the Participant shall be entitled to a Revenue Share (as defined below) of the MAD HEIDI film.
- 2.3. The Revenue will be distributed among the Participants based on the number of ‘Mad Invest Shares’ each Participant holds. There is a maximum of 5,200 Mad Invest Shares, and at full distribution of the Mad Invest Shares, each Mad Invest Share entitles to 1/5,200 of the Revenue. The price per Mad Invest Shares is indicated on the Website or the Proposal and may be amended by Swissploitation at any time in its sole discretion. Swissploitation may also provide up to 1,200 of Mad Invest Shares to creators free of charge.
- 2.4. Mad Invest Shares carry no rights, express or implied, other than those explicitly set out herein. Mad Invest Shares are not actual shares in Swissploitation or any other enterprise but simply represent a contractual right to receive a fraction of potential future Revenue. Mad Invest Shares are not transferable (except with the express consent of Swissploitation) and are not transferable tokens on a public blockchain. Blockchain technology is used solely for the efficient processing of the allocation of Revenue.
- 2.5. The participation in the Mad Invest Program is made on a first come, first served basis.

- 2.6. Transaction fees and conversion fees are to be borne by the Participant. The Contribution Amount paid by the Mad Investor and effectively received by Swissploitation in CHF might differ and the number of Mad Invest Shares to be allocated shall be based upon the amount actually received. The number of Mad Invest Shares will be rounded down by Swissploitation to the nearest integral number.
- 2.7. In case of oversubscription or rounding down, the excessive amount that cannot be allocated to a Mad Invest Share shall be paid back to the Mad Investor by Swissploitation, provided such difference exceeds (30) thirty Swiss francs (CHF). All the cost and expenses of the repayment shall be borne by the Mad Investor.
- 2.8. Only payments from eligible persons as set out in the Proposal will be accepted by Swissploitation. Swissploitation, in its sole discretion, may refuse to accept any person as investor and may request further information, e.g., for KYC purposes, at any time from a potential or existing Participant. Failure to provide such information may lead to the exclusion of the Mad Invest Program.

### **3. Revenue Distribution and Dashboard**

- 3.1. The "Revenue" to be distributed equally among holders of Mad Invest Shares is equal to the MAD HEIDI Net Revenue minus the Operating Costs:
  - 3.1.1. The "MAD HEIDI Net Revenue" is all Eligible Revenue minus any applicable taxes (such as sales tax) and third-party costs (such as fees by digital distribution platforms, DVD production costs etc.).
  - 3.1.2. The "Eligible Revenue" is:
    - i. any revenue generated by Swissploitation with the sale or licensing of the MAD HEIDI Film with in the first seven years of the Global Digital Release, e.g., revenue by Swissploitation with streaming, downloads, sale of DVDs, movie theaters.
    - ii. exclusively for Mad Investors that have invested a minimum amount of CHF 5,000, any revenue generated by Swissploitation with the sale of merchandise of the MAD HEIDI Film on the madheidi.com webshop from the date of closure for new investments into the Mad Invest Program until the end of the first twelve months of the Global Digital Release. Net Revenue from merchandise is 50% of the shop price.

Unless explicitly agreed otherwise, the Eligible Revenue excludes any revenue from sequels or videogames or similar commercialization of the related intellectual property rights, whether directly through Swissploitation or a third party.

3. The Operating Costs are capped at 25% of the MAD HEIDI Net Revenue and include costs for marketing (appx. 15%), administration (appx. 9%), and the Filmchain collection fees (appx. 1%). Swissploitation may, but has no obligation, to reduce the Operating Costs or change the distribution of the Operating Costs.
- 2.2. The Revenue calculation and distribution is subject to the following:
  - 2.2.1. The payout of any Revenue may be subject to fees, government taxes and other deductions that may be deducted directly by Swissploitation or each Participant may have to pay once the Revenue Share is received. Each Participant is solely responsible with compliance with any tax obligations applicable to the Participant.
  - 2.2.2. In case of any ambiguity, dispute or other uncertainty regarding the calculation of the Revenue Share, Swissploitation shall decide in its sole discretion. The Participants accept any such decision by Swissploitation as final.

- 2.2.3. Swissploitation and/or Filmchain may request any further information of the Participant as reasonably required to comply with any law or government requests such as KYC requirements prior to the pay-out of any Revenue Share.
- 2.3. The Global Digital Release is the date on which the MAD HEIDI Film is available for streaming and/or download online.
- 2.4. Each Participant receives access to a dashboard to review the amount of Mad Invest Shares and any share of the Revenue that is attributed to the Participant (the "Revenue Share"). The Participant may request the payout of any Revenue Share to its own private bank account if it exceeds CHF 30. Any bank charges, exchange rate fees and transaction charges are borne by the Participant.
- 2.5. The dashboard incl. the calculation of the revenue distribution is provided by Filmchain Ltd., a service provider for the management and distribution of revenue in film projects ("Filmchain"). Filmchain also acts as a collection agent on behalf of Swissploitation, i.e., for the collection of the Eligible Revenue and may assist Swissploitation in the subsequent distribution of the Revenue Share.
- 2.6. The Participant shall provide accurate and up-to-date contact information in the dashboard and is solely responsible for keeping the login information for the dashboard secure and providing accurate payout details. Swissploitation or Filmchain disclaim any and all responsibility for loss of access to the dashboard or payout to a different account.
- 2.7. Swissploitation may at any time payout the Revenue Share to the most recently provided banking details or may request at any time that the Participant provide banking information for a payout. If the Participant fails to provide banking information within 60 days of the second request to the e-mail address provided by the Participant, the claim of the Participant to such Revenue Share shall lapse and Swissploitation may dispose of the Revenue Share at its sole discretion.

#### **4. Obligations of Swissploitation**

- 4.1. If the total amount of contributions received is above CHF 1,000,000 within the time period set in the Proposal, Swissploitation shall commence with the production of the MAD HEIDI Film. If the total contribution amount is below CHF 1,000,000, Swissploitation is free in the decision on whether or not to commence the production regardless, extend the funding period or the return the received contribution amounts to the Mad Investors (minus a flat-fee of CHF 20 for transaction charges). Swissploitation is not regulated or supervised by any financial market authority and the reimbursement of the Contribution Amount is not guaranteed or insured by a deposit insurance scheme.
- 4.2. Swissploitation shall use best efforts to produce and distribute the MAD HEIDI Film, but does not make any representations or warranties express or implied. There is a high degree of risk in the participation in the Mad Invest Program and reference is made to the risk factors set out in Section 12 of the Proposal.
- 4.3. Swissploitation shall further use best efforts to provide the Mad Investor with any perks that are offered with the investment (such as participation in the MAD HEIDI Film or tickets to a premiere). Such perks are subject to availability and reasonable cooperation of the Mad Investor.
- 4.4. Swissploitation shall distribute the Revenue among Participants as per Section 3 of these GTC.

## **5. Mad Investor Representations & Warranties**

- 5.1. Mad Investor represents and warrants as of the date of this Agreement that:
- 5.1.1. It is in full compliance with the eligibility criteria set out in the Proposal, the Website and these GTC.
  - 5.1.2. The Mad Investor holds the Mad Invest Shares in its own account and is not acting on behalf of any third party as agent, nominee or in any other capacity;
  - 5.1.3. The Mad Investor is the sole beneficial owner of the funds used to pay the Contribution Amount, and in particular of all assets credited on the Swissploitation's account;
  - 5.1.4. The Mad Investor has carefully read, reviewed and fully understood the Proposal and these GTC including all referenced documents and is not relying up on any representation, warranty, confirmations, promises or agreements except as set out in the Proposal and these GTC;
  - 5.1.5. The Mad Investor recognizes that an investment in the Mad Invest Shares involves substantial risk and can lead to the complete loss of the Contribution Amount;
  - 5.1.6. The Mad Investor has not taken any action nor will it take any action in any country or jurisdiction that would constitute a public offering of any Mad Invest Shares or require the registration of the Proposal or any other offering material, nor will it distribute the Proposal or any other offering material in any country or jurisdiction where action for that purpose is required;
  - 5.1.7. The Mad Investor, nor any affiliates nor any person acting on its behalf (1) has offered or sold, or will offer or sell, indirectly or directly, any Mad Invest Shares and/or distributed these GTC or the Proposal to any US citizen (whether or not he/she lives in the United States of America), to any US person pursuant the Section 902(k)(1) of the Securities Act of 1933 ( i.e. any natural person resident in the United States of America, any partnership or corporation organized or incorporated under the laws of the United States of America, any estate of which any executor or administrator is a US person, any trust of which any trustee is a US person, any agency or branch of a foreign entity located in the United States of America, any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US person, any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States of America, any partnership or corporation if organized or incorporated under the laws of any foreign jurisdiction and formed by a US person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts) nor to any persons acting on a non-discretionary basis for US person or US citizen , in each case in a manner that would require any such Mad Shares to be registered under the Securities Act, (2) has engaged or will engage in any directed selling efforts (as that term is defined in Regulation S) with respect to any Mad Invest Shares, or (3) has engaged or will engage in any form of general solicitation or general advertising (as that term is used in Rule 502(c) under the Securities Act) in connection with any offer or sale of any Mad Invest Shares or in any manner involving a public offering in the United States of America;
  - 5.1.8. She/he/it is not subject and is not a resident of a jurisdiction that is subject to economic sanctions or trade embargoes imposed by (1) Switzerland, (2) the United Nations Security Council, (3) the European Union or any member state of the European Union, (4) U.S. authorities, in particular OFAC and the U.S. Department of State, (5) the country of residence of the Mad Investor, or (6) other economic sanctions or

trade embargos issued by another authority having jurisdiction over the Investor or his /her/its assets;

- 5.1.9. The Mad Investor has carefully read and understood the Proposal and all referenced documents, including the “Risk factors” (Section 12 of the Proposal) and the “Disclaimers” (Section 13 of the Proposal);
- 5.1.10. The Mad Investor has had the opportunity to be advised by legal professionals or attorneys in relation to this Agreement and confirms that to have fully understood the legal implications of all the clauses contained in this Agreement.

## **6. Intellectual Property**

Swissploitation and its licensors retain all right, title and interest in all of intellectual property, including inventions, discoveries, processes, marks, methods, compositions, formulae, techniques, information, source code, brand names, graphics, user interface design, text, logos, images, information and data relating to the MAD HEIDI Film, whether or not patentable, copyrightable or protectable in trademark, and any trademarks, copyrights or patents based thereon. You may not use any of our intellectual property for any reason, except with our express prior written consent.

## **7. Liability and Indemnity**

- 7.1. All representations and warranties with regard to the Mad Investor Shares and the Mad Investor Program and any liability by the Swissploitation or any person acting on behalf of Swissploitation is excluded to the fullest extent permitted by applicable law.
- 7.2. Except in cases of willful misconduct or gross negligence or bodily harm, Swissploitation is not be liable for any direct, indirect, special, incidental, consequential, punitive, enhance or exemplary damages of any kind (including, but not limited to, where related to loss of revenue, income or profits, loss of use or data, or damages for business interruption or diminution in value) arising out of or in any way related to the Mad Investor Program or otherwise related to this Agreement, regardless of the form of action, whether based in contract, tort (including, but not limited to, simple negligence, whether active, passive or imputed), or any other legal theory (even if the party has been advised of the possibility of such damages and regardless of whether such damages were foreseeable).

## **8. Taxes**

You are solely responsible for determining what, if any, taxes apply to your participation in the Mad Investor Program, including, for example, sales, use, value added, and similar taxes. It is also your sole responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. Swissploitation is not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising in relation to the Mad Investor Program.

## **9. Termination**

- 9.1. The Agreement terminates automatically within eight years after the Global Release Date.
- 9.2. This Agreement may be terminated at any time by the Mad Investor or Swissploitation in the event of material breach of any obligations and/or warranties contained in this Agreement.

## **10. Miscellaneous**

- 10.1. Confidentiality. The Parties hereby undertake to keep the terms of the Agreement strictly confidential, subject to any disclosure obligation imposed as a matter of law or regulation as applicable to either of the Parties, any disclosure to the Parties' ultimate beneficial owner and/or as maybe required for the enforcement and/or exercise of the respective rights of the Parties hereunder. This provision shall survive the expiration or termination of this Agreement.
- 10.2. Entire Agreement. This Agreement supersedes all other agreements with regards to the subject matter (both written and oral) between the parties.
- 10.3. Notices. All notices to either party shall be in writing (incl. by email).
- 10.4. Governing Law and Jurisdiction. This Agreement shall be governed by the laws of Switzerland, without regard to principles of conflict of laws thereunder. Any disputes arising out of or in connection with this Agreement shall be submitted to and resolved in the courts of the City of Zurich.
- 10.5. Severability. If any term of this Agreement or its application in any circumstance is held invalid or unenforceable, the invalidity or unenforceability will not affect any other terms of this Agreement which can be given effect without the invalid or unenforceable term nor the applicability of that term in any other circumstance.