

**CONDITIONS OF PURCHASE BY EARL & THOMPSON MARKETING LIMITED.
NO SERVANT OR AGENT OF THE PURCHASER OTHER THAN A DIRECTOR
OF THAT COMPANY HAS AUTHORITY TO BIND THE COMPANY TO A
DEPARTURE FROM THE COMPANY'S CONDITIONS OF PURCHASE.**

1. DEFINITIONS

In these Conditions "the Company" means the purchasing company shown below and "the Seller" means the person, firm, body or company to which the Order is issued.

2. ACCEPTANCE

2.1 Subject to any variation under (2.4) below, these conditions are the only conditions upon which the Company is prepared to deal with the Seller and they shall govern the Contract to the entire exclusion of all other terms or conditions.

2.2 Each Order for Goods or Services by the Company from the Seller shall be deemed to be an offer by the Company to buy Goods or Services subject to these conditions and no Order shall be accepted until the Seller either expressly by giving notice of acceptance, or impliedly by fulfilling the Order, in whole or in part accepts the offer.

2.3 No terms or conditions endorsed upon, delivered with or contained in the Seller's quotation acknowledgement or acceptance of order, specification or similar document shall form part of the Contract and the Seller waives any right which it otherwise might have to rely on such terms and conditions.

2.4 These conditions apply to all the Company's purchases and any variation to these conditions shall have no effect unless expressly agreed in writing.

3. DELIVERY

Time of delivery of goods and/or performance of services shall be of the essence of the contract, and if goods and/or services or any portion thereof are not delivered or performed within the time or times specified in the Order, the Company shall without prejudice to its other rights be entitled without redress by the Seller to cancel the whole or part of the Order and to recover from the Seller any additional expenditure incurred by the Company in obtaining other goods or the performance of other services in replacement of those in respect of which the Order has been cancelled.

3.1 The quantity of goods as indicated on the face hereof shall not be exceeded without the Company's prior written authority. Unless such authority has been obtained any excess may be returned by the Company at Seller's risk and expense.

3.2 No goods will be accepted unless accompanied by an invoice or delivery note bearing the Company's Purchase Order Number.

3.3 Except by special arrangement with the Company, no deliveries can be accepted on Saturdays or Sundays or Public Holidays or otherwise outside normal working hours.

3.4 All goods must be delivered to the address shown on the Order.

4.0 PACKAGING AND CARRIAGE

4.1 Goods are to be delivered to the Company free of all carriage charges unless specifically stated in the Order.

4.2 Each package containing goods shall carry a label showing clearly a description of the goods, the quantity and the Company's Order Number.

4.3 In respect of hazardous and/or dangerous goods, the Seller shall comply with all applicable laws and regulations relating to packing labelling and carriage and will ensure that transport and other documents include a declaration in English of all relevant hazards and dangers including, where applicable, correct and safe methods of use.

5.0 QUALITY AND DEFECTS

5.1 All goods and services supplied and performed shall be of the best quality and shall conform to quality and quantity standards and description as specified in the Order. In addition all goods and services shall be of sound material and workmanship, be equal in all respects to the sample patterns, drawings and specifications provided or given by either party, be capable of any standard of performance specified in the Order and if the purpose for which the goods or services are required is indicated in the Order either expressly or by implication, be fit for that purpose.

5.2 In case of goods delivered or services performed by the Seller not

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conforming with the Order whether by reason of quality or quantity or being unfit for the purpose for which they are required, the Company shall without prejudice to any other rights which it may have against the Seller have the right to reject such goods or services within a reasonable time after delivery or performance as the case may be and to purchase replacements elsewhere and to recover from the Seller any additional expenditure incurred by the Company in obtaining other goods or services in replacement of those rejected.

6.0 CANCELLATIONS

The Order may be cancelled at any time by the Company giving the Seller notice in Writing. The Company shall not be liable in respect of such cancellation for any loss to the Seller, including but without limitation consequential loss, howsoever arising.

7.0 INDEMNITY

The Seller shall keep the Company indemnified in full against all direct, indirect or consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by the Company as a result of or in connection with:

(a) Defective workmanship, design, quality or materials;

(b) An infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods or Services; and;

(c) Any claim made against the Company in respect of any liability, loss, damage, injury, cost or expense sustained by the Company's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods or Services as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Contract by the Seller.

8.0 PASSING OF PROPERTY AND RISK

8.1 The property in goods to be supplied by the Seller shall pass to the Company on whichever first occurs of the completion of the delivery of the goods (including off-loading and stacking) to the Company or the Company paying for the goods.

8.2 If the Order provides for progress payments or payments on account to be made by the Company before delivery of the goods, the property but not the risk in the goods and in all materials from time to time acquired or allocated for incorporation in the goods shall pass to the Company immediately upon the making of such payment or upon the date(s) of acquisition or allocation of such materials if later.

8.3 Upon the passing to the Company of the property in goods and materials which remain in the possession of the Seller or its sub-suppliers the Seller shall and will ensure that its sub-suppliers shall mark clearly on all such goods and materials that they are the property of the Company and the Company's duly authorised representative will be given access to all relevant premises for the purpose of checking that such articles have been so marked.

8.4 Where goods or materials for incorporation into the goods to be supplied by the Seller are ordered by the Seller from a sub-supplier the contract for their supply between the Seller and the sub-supplier shall contain express provision excluding any reservation of ownership which might prevent or impede the passing of property therein to the Company under sub-paragraphs (8.1) and (8.2) above and the Seller shall, at the Company's request, provide evidence of the inclusion of such provision.

8.5 The risk of goods or any parts thereof to be supplied by the Seller under the Order shall remain with the Seller and not pass to the Company until such goods or parts have been received by the Company and the Seller shall at its own cost insure such goods or parts to their full value from time to time in the joint names of the Seller and the Company until such receipt.

8.6 The passing to the Company of the property in such goods or parts as aforesaid or in materials for incorporation therein shall be without prejudice to any right of rejection or other rights of the Company whether contained in these Conditions or implied by law.

9.0 CONFIDENTIALITY

9.1 The Seller shall not, without the Company's prior written consent, disclose the existence of the Order to any other party, whether through publicity releases, advertisements or otherwise.

9.2 The Seller shall keep secret and confidential any information

- (whether oral or in writing), drawings, illustrations, photographic originals, computer disks, plates, films, artwork, samples and technical documentation furnished by or on behalf of the Company in respect of the Order or which become known to the Seller through its performance of the Order and such information, drawings, illustrations, photographic originals, computer disks, plates, films, artwork, samples and documentation shall be used by the Seller only for the execution of the Order.
- 10.0 STATUTORY REQUIREMENTS**
The Seller warrants that the design, construction and quality of the goods to be supplied under the contract comply with all relevant requirements of any statute, statutory rule or order or other instrument having the force of law which may be in force at the time when the same are supplied to the Company.
- 11.0 HEALTH AND SAFETY**
The Seller undertakes with the Company that, where conditions exist under which there will be or may be any risk to the health or safety of the Company, its employees, customers and other parties arising from the use of the goods or services to which the Order relates, it will, prior to acceptance of the Order, bring such conditions to the attention of the Company in writing and will provide free of cost full information about such conditions and the safeguard which should be observed to ensure that the goods and/or services can be handled and used safely and without risk to health. Following receipt of such conditions and information the Company shall either confirm in writing the Order to the Seller or by written notice to the Seller cancel the Order without any liability to the Seller.
- 12.0 PATENTS ETC**
The Seller shall indemnify and hold harmless the Company and its successors, assignees, vendees and users of the goods and/or services hereby ordered from and against any and all claims demands losses cost and liabilities arising out of any actual or alleged infringement of letters patent registered designs or other proprietary rights by use or sale of the said goods and/or services providing always that this indemnity shall not apply to any infringement which is due solely to the Seller having followed a design or instruction furnished by the Company.
- 13.0 COPYRIGHT**
The copyright for all purposes in any written or other materials and the property in any registered design, digital work / coding created by the Seller in the course of its performance of the contract shall be vested in the Company. Such materials will be released to the company without charge upon completion or earlier termination of the contract.
- 14.0 FORCE MAJEURE**
In the event of any unforeseen circumstances arising beyond the Company's control, such as but without limitation strikes, lockouts, fires and accidents which prevent or hinder the use of goods and/or services forming the subject of the Order, deliveries of such goods and/or the performance of such services and payment therefore may at the Company's option be suspended until such time as any such circumstance shall cease.
- 15.0 SUB-CONTRACTING ETC**
15.1 This Order shall not be assigned or sub-contracted either wholly or in part without the Company's prior consent in writing.
15.2 In any matter between the Seller and its sub-suppliers and any other third party, the Seller shall be an independent contractor and in no way whatsoever shall be the agent or representative of the company.
- 16.0 PRICE/INVOICING/PAYMENTS**
16.1 Unless otherwise agreed in writing the price stated in the Order or if none is so stated in any quotation to which this Order relates shall not be subject to increase.
16.2 Where goods or services which are the subject of the Order are subject to any tax or duty the amount of such tax or duty legally demanded by the Seller shall be stated separately on all invoices.
16.3 An advice note quoting the Company's Order Number must be posted the same day that the goods are dispatched or the service supplied and the invoice must be rendered promptly otherwise the Company cannot undertake to prevent delays in the payment of accounts.
- 16.4 Where a discount is allowed for prompt cash, this must be clearly stated on the invoice.
- 16.5 Unless invoices are received by the 10th of the month following delivery of goods/performance of services, payment may be held over until the month after.
- 17.0 MATERIALS**
The Seller shall be responsible for any property of the Company issued by the Company in connection with this Order, and the Seller shall indemnify the Company against any loss of or damage to such property howsoever arising. Any items made or created by the Seller for its performance of the contract, including but without limitation artwork, coding, negatives and plates, shall together with any property of the Company issued by it as aforesaid be returned to the Company promptly in good order and condition on completion of the contract or as otherwise directed by the Company. The Seller shall not use any such property nor authorise or permit its use by any other person for or in connection with any purpose other than the supply of goods or services to the Company.
- 18.0 TERMINATION**
The Company shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Seller written notice whereupon all work on the Contract shall be discontinued and the Company shall pay to the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss. The Company shall have the right at any time by giving notice in writing to the Seller to terminate the Contract forthwith if:
(a) The Seller commits a material breach of any of the terms and conditions of the Contract; or
(b) Any distress, execution or other process is levied upon any of the assets of the Seller; or
(c) The Seller has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver or manager, administrator or administrative receiver appointed on its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Seller or notice of intention to appoint an administrator is given by the Seller or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the Seller or for the granting of an administration order in respect of the Seller, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller, or
(d) The Seller ceases or threatens to cease to carry on its business; or
(e) The financial position of the Seller deteriorates to such an extent that in the opinion of the Company the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.
The termination of the Contract, however arising, shall be without prejudice to the rights and duties of the Company accrued prior to termination. The conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.
- 19.0 REMEDIES**
Without prejudice to any other right or remedy which the Company may have, if any Goods are not supplied in accordance with, or the Seller fails to comply with, any of the terms of the Contract the Company shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by the Company:
(a) To rescind the Order;
(b) To reject the Goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid forthwith by the Seller;
(c) At the Company's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Goods or to supply

replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;

(d) To refuse to accept any further deliveries of the Goods but without any liability to the Seller;

(e) To carry out at the Seller's expense any work necessary to make the Goods comply with the Contract; and

(e) To claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the Contract.

20.0

LAW

This Order shall be governed by and construed in accordance with English law.

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