

SPECTRUM PRINT DIRECT

CONDITIONS OF CONTRACT

1. Price variation

Estimates are based on the printer's current costs of production and, unless otherwise agreed, are subject to amendment on or at any time after acceptance to meet any rise or fall in such costs.

2. Tax

The printer reserves the right to charge the amount of any value added tax payable whether or not included on the estimate or invoice.

3. Preliminary work

All work carried out, whether experimentally or otherwise, at customer's request shall be charged.

4. Copy

A charge may be made to cover any additional work involved where copy supplied is not clear and legible.

5. Electronic files supplied by customer

(a) It is the customer's responsibility to maintain a copy of any original electronic file.

(b) The printer shall not be responsible for checking the accuracy of supplied input from an electronic file unless otherwise agreed.

(c) Without prejudice to clause 15, if an electronic file is not suitable for outputting on equipment normally adequate for such purposes without adjustment or other corrective action the printer may make a charge for any resulting additional cost incurred.

6. Proofs

Proofs of all work may be submitted for customer's approval and the printer shall incur no liability for any errors not corrected by the customer in proofs so submitted. Customer's alterations and additional proofs necessitated thereby shall be charged extra. When style, type or layout is left to the printer's judgement, changes therefrom made by the customer shall be charged extra.

7. Colour proofs

Due to differences in equipment, paper, inks and other conditions between colour proofing and production runs, a reasonable variation in colour between colour proofs and the completed job will be deemed acceptable unless otherwise agreed.

8. Variations in quantity

Every endeavour will be made to deliver the correct quantity ordered, but estimates are conditional upon margins of 5 per cent for work in one colour only and 10 per cent for other work being allowed for overs or shortage (4 per cent and 8 per cent respectively for quantities exceeding 50,000) the same to be charged or deducted.

9. Delivery and payment

(a) Delivery of work shall be accepted when tendered and thereupon, or if earlier on notification that the work has been completed, payment shall become due.

(b) Unless otherwise specified the price is for delivery of the work to the customer's address as set out in the estimate. A charge may be made to cover any extra costs involved for delivery to a different address.

(c) Should expedited delivery be agreed an extra may be charged to cover any overtime or any other additional costs involved.

(d) Should work be suspended at the request of or delayed through any default of the customer for a period of 30 calendar days the printer shall then be entitled to payment for work already carried out, materials specially ordered and other additional costs including storage.

10. Ownership and risk

(a) The risk in all goods delivered in connection with the work shall pass to the customer on delivery.

(b) Goods supplied by the printer remain the printer's property until the customer has paid for them and discharged all other debts owing to the printer.

(c) If the customer becomes insolvent (as set out in clause 16) and the goods have not been paid for in full the printer may take the goods back and, if necessary, enter the customer's premises to do so, or to inspect the goods.

(d) If the customer shall sell the goods before they have been paid for in full he shall hold the proceeds of sale on trust for the printer in a separate account until any sum owing to the printer has been discharged from such proceeds. The customer assigns to the printer all rights and claims which the customer may have against their customers arising from such sales until payment is made in full as aforesaid.

11. Claims

Advice of damage, delay or loss of goods in transit or of non-delivery must be given in writing to the printer and the carrier within three clear days of delivery (or, in the case of non-delivery, within 28 days of notification of despatch of the goods) and any claim in respect thereof must be made in writing to the printer and the carrier within seven clear days of delivery (or, in the case of non-delivery, within 42 days of notification of despatch). All other claims must be made in writing to the printer within 28 days of delivery. The printer shall not be liable in respect of any claim unless the aforementioned requirements have been complied with except in any particular case where the customer proves that (i) it was not possible to comply with the requirements and (ii) advice (where required) was given and the claim made as soon as reasonably possible.

12. Liability

(a) The printer shall not be liable for indirect loss or third party claims occasioned by delay in completing the work or for any loss to the customer arising from delay in transit, whether as a result of the printer's negligence or otherwise.

(b) Insofar as is permitted by law where work is defective for any reason, including negligence, the printer's liability (if any) shall be limited to rectifying such defect. Where the printer performs its obligations to rectify defective work

under this condition the customer shall not be entitled to any further claim in respect of the work done nor shall the customer be entitled to treat delivery thereof as a ground for repudiating the contract, failing to pay for the work or cancelling further deliveries.

(c) Nothing in these conditions shall exclude the printer's liability for death or personal injury as a result of its negligence.

13. Standing material

(a) Metal, film and other materials owned by the printer and used by him in the production of type, plates, film-setting, negatives, positives and the like shall remain his exclusive property. Such items when supplied by the customer shall remain the customer's property.

(b) Lithographic film and plates, tapes, disks or other work may be effaced immediately after the order is executed unless written arrangements are made to the contrary.

(c) The printer shall not be required to download any digital data from his equipment or supply the same to the customer on disk, tape or by any communication link unless written arrangements are made to the contrary.

14. Customer's property

(a) Customer's property and all property supplied to the printer by or on behalf of the customer shall while it is in the possession of the printer or in transit to or from the customer be deemed to be at customer's risk unless otherwise agreed and the customer should insure accordingly.

(b) The printer shall be entitled to make a reasonable charge for the storage of any customer's property left with the printer before receipt of the order or after notification to the customer of completion of the work.

15. Materials supplied by the customer

(a) The printer may reject any film, disks, paper, plates or other materials supplied or specified by the customer which appear to him to be unsuitable. Additional cost incurred if materials are found to be unsuitable during production may be charged except that if the whole or any part of such additional cost could have been avoided but for unreasonable delay by the printer in ascertaining the unsuitability of the materials then that amount shall not be charged to the customer.

(b) Where materials are so supplied or specified, the printer will take every care to secure the best results, but responsibility will not be accepted for imperfect work caused by defects in or unsuitability of materials so supplied or specified.

(c) Quantities of materials supplied shall be adequate to cover normal spoilage.

16. Insolvency

Without prejudice to other remedies, if the customer becomes insolvent (namely, being a company is deemed to be unable to pay its debts or has a winding up petition issued against it or has a receiver, administrator or administrative receiver appointed to it or being a person commits an act of bankruptcy or has a bankruptcy petition issued against him) the printer shall have the right not to proceed further with the contract or any other work for the customer and be entitled to charge for work already carried out (whether completed or not) and materials purchased for the customer, such charge to be an immediate debt due to him. Any unpaid invoices shall become immediately due for payment.

17. General Lien

Without prejudice to other remedies, in respect of all unpaid debts due from the customer the printer shall have a general lien on all goods and property in his possession (whether worked on or not) and shall be entitled on the expiration of 14 days' notice to dispose of such goods or property as agent for the customer in such manner and at such price as he thinks fit and to apply the proceeds towards such debts, and shall when accounting to the customer for any balance remaining be discharged from all liability in respect of such goods or property.

18. Illegal matter

(a) The printer shall not be required to print any matter which in his opinion is or may be of an illegal or libellous nature or an infringement of the proprietary or other rights of any third party.

(b) The printer shall be indemnified by the customer in respect of any claims, costs and expenses arising out of any libellous matter or any infringement of copyright, patent, design or of any other proprietary or personal rights contained in any material printed for the customer. The indemnity shall include (without limitation) any amounts paid on a lawyer's advice in settlement of any claim that any matter is libellous or such an infringement.

19. Periodical publications

A contract for the printing of a periodical publication may not be terminated by either party unless 13 weeks notice in writing is given in the case of periodicals produced monthly or more frequently or 26 weeks notice in writing is given in the case of other periodicals. Notice may be given at any time but wherever possible should be given after completion of work on any one issue. Nevertheless the printer may terminate any such contract forthwith should any sum due thereunder remain unpaid.

20. Force majeure

The printer shall be under no liability if he shall be unable to carry out any provision of the contract for any reason beyond his reasonable control including (without limiting the foregoing): Act of God; legislation; war; fire; flood; drought; inadequacy or unsuitability of any instructions; electronic file or other data or materials supplied by the customer; failure of power supply; lock-out, strike or other action taken by employees in contemplation or furtherance of a dispute; or owing to any inability to procure materials required for the performance of the contract. During the continuance of such a contingency the customer may by written notice to the printer elect to terminate the contract and pay for work done and materials used, but subject thereto shall otherwise accept delivery when available.

21. Law

These conditions and all other express and implied terms of the contract shall be governed and construed in accordance with the laws of England.