

PROJECT SIX STUDIOS LIMITED TRADING TERMS & CONDITIONS

1. General Terms

- a In the following terms and conditions, reference to 'the Company' shall mean Project Six Studios Ltd. References to 'the Client' shall mean the Client and/or those acting on the Client's behalf. These terms and conditions are the only terms and conditions upon which the Company will carry out work, whether or not the Client shall have asserted alternative conditions. For the avoidance of any doubt, it is agreed and accepted by the Client that the provision of a purchase order by the Client subsequent to these terms and conditions shall not operate to vary or discharge these terms and conditions.
- b The Client is to provide the Company with a clear brief and to ensure that all information provided about its products or services is not misleading or inaccurate and the Client further agrees to make available to the Company all relevant information to enable the Company to complete the project.
- c The Client's approval of copy and layouts is deemed to be authority to the Company to purchase materials (where appropriate) to prepare proofs and drafts and the Client's approval of proofs and drafts will be deemed to be the Company's authority to publish in the public domain.
- d Subject to the termination/cancellation provisions in these terms, the Client may request the Company to change, reject, cancel or stop all or any plans, schedules or work in progress, and the Company will take all reasonable steps to comply, provided that the Company is not itself, thereby, in breach of contract with its suppliers. In the event of such change, rejection or cancellation, the Client shall reimburse the Company for any charges or expenses to which the Company is committed and shall pay to the Company any fees due to it in respect of work in progress to date.
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 - i) The Company's fee for any work undertaken by it shall be as stated in the Company's official quotation, relevant correspondence, or as contained in any verbally binding agreement between the Company and the Client.
 - ii) All work carried out by the Company at the Client's request (whether experimentally or otherwise) shall be charged for unless stated otherwise in writing at the agreed hourly rate.
 - iii) A charge may be made (in the Company's absolute discretion) to cover any additional work required where copy supplied by the Client is not clear and legible or in our opinion (which shall be binding) where copy supplied is inadequate, incomplete or unsuitable for use or where there has been an unreasonable delay in providing information or material to the Company.
 - iv) The Company also fully reserves the right to render interim invoices at any stage covering work in progress to date, in the event that there is, or is likely to be any delay in completion of the project. In such event, the hourly charge will be £50.00 plus VAT.
- f Where the company shall at any time be in possession of any of the clients property (including property temporarily bailed to the client), whether or not at the companies request, then this shall without exception be entirely at the clients risk, and the client by leaving such property in the custody of the company thereby expressly accepts this condition and warrants that all necessary all risks insurance cover has been effected by the client or the owner to protect the property, and to indemnify the company against any liability, howsoever caused, to the company its officers or any third party.

2. Payment

- a) The Company will provide invoices monthly for work carried out on behalf of the Client unless expressly agreed in writing to the contrary. All accounts are payable within 28 days of the date of the invoice.
- b) The Company reserves the right to charge interest at the rate of 2% per month on all overdue invoices.
- c) Some suppliers, particularly film production companies, market research organisations and exhibition contractors require payment in advance at various stages of production. The Client agrees to pay interim invoices in respect of such services immediately on presentation.
- d) Whilst ever any invoice remains unpaid in whole or in part, the Client acknowledges (in addition to any other right of lien given by law) the Company's right of lien over any document or item ("goods") belonging to the Client but in the possession, control or custody of the Company or any agent instructed by it on the Client's behalf. Without prejudice to any of its other legal rights, the Company may, at the expiration of 14 days' written notice to the Client, sell any of the Client's goods upon which the Company has any lien and shall, where the property in such goods is at the time of such sale in the Client, be deemed to be its agent for the purpose of effecting such sale. The Company may apply the proceeds of such sale towards the satisfaction of sums due or claims against the Client without prejudice to right to recover the balance thereof from the Client.

3. Liability

Subject to the conditions set out below, the Company warrants that it will carry out its work with reasonable care and skill and that its work will correspond in all material respects with any specifications or requirements agreed in writing prior to the date of this contract and save as expressly varied by the Company (acting by a Director) thereafter.

The above warranty is given by the Company and accepted by the Client in substitution for all express or implied representations, conditions and warranties statutory or otherwise as to (i) the state, quality, fitness for purpose or performance of any goods or services provided and (ii) the standard of the Company's workmanship and the state, quality, fitness or performance of any materials used in connection therewith and all such representations, conditions and warranties are hereby excluded. The warranty is expressly subject to the following conditions:

- a) The Company shall be under no liability in respect of any defect in any of its work arising from any drawing, design or specification supplied by the Client.
- b) The Company shall be under no liability under the above warranty (or any other warranty, condition or guarantee) unless all sums due to the Company under the terms of this agreement and any other agreement between the Company and the Client have been paid in full and by the due date for payment;
- c) Subject as expressly provided for in this agreement, all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law. Any claim by the Client which is based upon any defect in the quality of work undertaken by the Company or its failure to correspond with agreed specifications must be notified to the Company within 7 days from the date of completion of the works or (where the defect or failure was not apparent on reasonable inspection) within a reasonable time after discovery of the defect or failure. If the Client does not notify the Company accordingly, the Client shall not be entitled to treat the contract as repudiated and the Company shall have no liability for such defect or failure and the Client shall be bound to pay the invoices raised or to be raised by the Company as if the work had been delivered or carried out in accordance with the contract.
- d) Where any valid claim in respect of any work carried out by the Company based on any defect in the quality of that work or its failure to meet specification is notified to the Company in accordance with this agreement, the Company shall be entitled to undertake the work again in replacement for the work or the part of that work, free of charge or, at the Company's sole discretion refund or not raise an invoice to the Client for the cost of the works (of a proportionate part thereof), but the Company shall have no further liability to the Client.
- e) Except in respect of death or personal injury caused by the Company's negligence, the Company shall not be liable to the Client or to any other person, firm or company by reason of any representation, or any implied warranty, condition or other term, or any duty at common law, or under the express terms of this agreement, whether in contract, in tort, misrepresentation or otherwise for any consequential loss or damage (whether for loss of profit or otherwise) costs, expenses or other claims for consequential compensation whatsoever (and whether caused by the negligence of the Company, its employees or agents or otherwise) which arise out of or in connection with the supply of goods or undertaking or work howsoever or used by the Client or on its behalf by the Company or otherwise except as expressly provided for in this agreement.
- f) The Company shall not be liable if it is unable to carry out at all or by the agreed or due date any provisions of the work and/or services for any reasons beyond its control including, but not limited to, an act of god, legislation, war, fire, flood, drought, failure of power supply, riot and civil commotion, lock out, strike, other action taken by employees in contemplation or further unto the dispute, or owing to an inability to procure materials required for the performance of the contract. During the continuance of such a contingency, the Client may, by written notice to the Company, elect to terminate the contract and to pay for work done and materials used but subject thereto shall otherwise accept performance of the contract when available.
- g) Any date provided by the Company shall be an estimate only and the Company shall not be liable for any loss or howsoever arising caused by its failure to complete the work or deliver the work on a due or agreed date.

4. Confidential Information

- a) The Company acknowledges a duty not to disclose without the Client's permission, during or after the term of appointment, any confidential information resulting from work carried out on the Client's behalf.
- b) During the continuance of the Contract, the Company acknowledges its responsibility to treat in complete confidence all the marketing and sales information and statistics with which the Client may supply the Company in the course of the work for the Client.

5. Copyright

- a) The Company and the Client acknowledge and agree that all intellectual property rights in artwork, copy, storyboards and any other items or work created by the Company, its employees or agents for the Client, vest in the Company. For the purposes of this agreement, intellectual property rights include (but are not limited to) logos, corporate identity, trade marks, service marks, trade or business names, copyright (including moral rights) and any drawings, manuals, illustrations, experience, lists, instructions, designs, artwork, photographs, films, plates and other Know-How created or acquired by the Company, its employees or agents.
- b) Unused or unpublished advertising or promotional plans, ideas and other intellectual property prepared by or on behalf of the Company shall remain the Company's property and shall not be assigned or licensed to or used by the Client during the term of this agreement or subsequently, regardless of whether or not any physical embodiment of any creative work or item of intellectual property is in the Client's possession in the form of copy, artwork, plates, films or otherwise howsoever.

6. Termination

- a) The Company shall, without prejudice to its other rights, be entitled forthwith to demand immediate payment by the Client of all unpaid accounts and cancel this and any other contract between the Company and the Client without any liability attaching to the Company in respect of such cancellation and debit the Client with any loss sustained thereby if:-
 - i) The Client commits a material breach of any of these conditions (including non payment of any monies payable hereunder) and in the case of a breach capable of remedy fails to remedy the same within 7 days after receipt of a written notice giving particulars of the breach and requiring it to be remedied;
 - ii) The Client is a company and:
 - (i) It convenes a meeting of its creditors; or
 - (ii) A proposal is made for a voluntary arrangement within the meaning of part 1 of the Insolvency Act 1986 or if a proposal is made for any other composition, scheme or arrangement with (or assignment for the benefit of) the creditors of the Client; or
 - (iii) It is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986; or
 - (iv) A trustee, receiver or administrative receiver or similar officer is appointed in respect of all or any part of the business or assets of the customer;
 - (v) A petition is presented or a meeting is convened for the purpose of considering a resolution (or other steps are taken) for the winding up of the customer otherwise than for the purpose of amalgamation or reconstruction where such amalgamation or reconstruction has the prior written approval of the company;
 - (vi) A petition is presented for an administration order; or
 - (vii) The client ceases or threatens to cease to carry on business.
 - iii) The Client is an individual or partnership or foreign company or other corporative entity and circumstances arise which, in the reasonable opinion of the Company, are of the same nature or effect as the circumstances listed in sub paragraphs ii) (i) to ii) (vii).
- b) Any waiver by the Company of a breach by the Client of any of these conditions shall not be considered as a waiver of any subsequent breach of the same or any other conditions.

7. Applicable Law

- a) Any notice required or permitted to be given by either party to the contract under these conditions shall be in writing addressed to the other party at its registered office or principal place of business or such other address as made at the relevant time, has been notified pursuant to this provision to the party giving the notice.
- b) No waiver by the Company of any breach of the contract by the Client shall be considered as a waiver of any subsequent breach of the same or any other provision. If any of these conditions, including the restrictions and exclusions of the Client's rights whether expressed or implied by common law, statute, customer of the trade, course of dealings or otherwise shall be deemed void for any reason whatsoever, but would be valid if part of the wording thereof were deleted, the said condition shall comply with such modifications as may be necessary to make it valid and effective.
- c) If any provision of these conditions is held by competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of these conditions and the remainder of these provisions in question shall not be affected thereby.
- d) All quotations, orders and contracts arising hereunder shall be construed in accordance with English law and shall be subject to the jurisdiction of the English Courts.