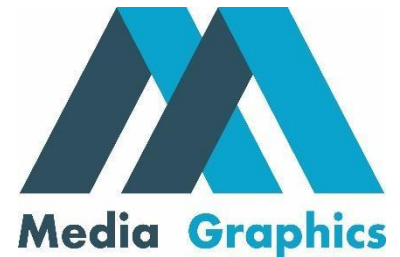


TERMS & CONDITIONS FOR THE SUPPLY OF GOOD AND SERVICES

Media Graphics Ltd



1 DEFINITIONS

In this document the following words shall have the following meanings:

1.1 "Agreement" means these Terms and Conditions together with the terms of any applicable Specification Document;

1.2 "Customer" refers to Media Graphics, the company who purchases goods and services from the Supplier;

1.3 "Intellectual Property Rights" means all patents, registered and unregistered designs, copyright, trademarks, know-how and all other forms of intellectual property wherever in the world enforceable;

1.4 "Specification Document" means a statement of work, email requirements, quotation or other similar

document describing the goods and services to be provided by the Supplier;

1.5 "Supplier" means the agreed person or organization that provides something needed such as a product or service to Media Graphics Ltd.

1.6 "Goods" the goods and/or services (or any part of them) set out in the Order.

2 GENERAL

2.1 These Terms and Conditions shall apply to all contracts for the supply of goods and services by the Supplier to the Customer.

2.2 Before the commencement of the services the Supplier shall submit to the Customer a Specification Document which shall specify the goods and services to be supplied and the price payable. The Customer shall notify the Supplier immediately if the Customer does not agree with the contents of the Specification Document. All Specification Documents shall be subject to these Terms and Conditions.

2.3 The Order shall be deemed to be accepted on the earlier of: (a) the Supplier issuing a written acceptance of the Order; and (b) the Supplier doing any act consistent with fulfilling the Order, at which point the Contract shall come into existence.

3 PRICE AND PAYMENT

3.1 The price for the supply of goods and services are as set out in the Specification Document. The Supplier shall invoice the Customer on delivery.

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3.2 Invoiced amounts shall be due and payable once the goods have been delivered. The Supplier shall be entitled to charge interest on overdue invoices from the date when payment becomes due from day to day until the date of payment at a rate of 1.5% per annum above the base rate of the Bank of England. In the event that the Customer's procedures require that an invoice be submitted against a job reference number to payment, the Customer shall be responsible for issuing such a number before the goods and services are supplied.

4 SPECIFICATION OF THE GOODS

All goods shall be required only to conform to the specification in the Specification Document. For the avoidance of doubt no description, specification or illustration contained in any product pamphlet or other sales or marketing literature of the Supplier and no representation written or oral, correspondence or statement shall form part of the contract.

5 DELIVERY

5.1 The date of delivery specified by the Supplier is a strict deadline. The Supplier will be liable for any loss, costs, damages, charges, defects, errors or expenses caused directly or indirectly by any delay in the delivery of the goods.

5.2 All risk in the goods shall pass to the Customer upon delivery.

5.2.1 The supplier must be able to provide evidence that the delivery of goods was on time and correct by submitting a valid proof of delivery (showing time, date, signature and address) upon the customer's request.

5.3 The Customer shall have the right to inspect and test the Goods at any time before delivery.

5.4 Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under the Contract, and the Customer shall have the right to conduct further inspections and tests after the Supplier has carried out its remedial actions.

5.4 The Goods must be properly packed and secured in such manner as to enable them to reach their destination in good condition.

6. REMEDIES

6.1 If the Goods are not delivered on the date they are due as referred to in the Specification Document, or do not comply with the undertakings set out in clause 4, then, without limiting any of its other rights or remedies, the Customer shall have the right to any one or more of the following remedies, whether or not it has accepted the Goods:

(a) to terminate the Contract;

(b) to reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense;

(c) to require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods (if paid);

(d) to refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;

(e) to recover from the Supplier any costs incurred by the Customer in obtaining substitute goods from a third party; and

(f) to claim damages for any other costs, loss or expenses incurred by the Customer which are in any way attributable to the Supplier's failure to carry out its obligations under the Contract.

6.2 These Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.

6.3 The Customer's rights and remedies under these Conditions are in addition to its rights and remedies implied by statute and common law.

7 TITLE AND RISK

Title and risk in the Goods shall pass to the Customer on completion of delivery.

8 CUSTOMER'S OBLIGATIONS

8.1 To enable the Supplier to perform its obligations under this Agreement the Customer shall:

8.1.1 co-operate fully with the Supplier;

8.1.2 provide the Supplier with any information reasonably required by the Supplier;

8.1.3 obtain all necessary permissions and consents which may be required before the commencement of the services.

8.2 Without prejudice to any other rights to which the Supplier may be entitled, in the event that the Customer unlawfully terminates or cancels the goods and services agreed to in the Specification Document, the Customer shall be required to pay to the Supplier as agreed damages and not as a penalty the full amount of any third party costs to which the Supplier has committed and in respect of cancellations on less than five working days' written notice the full amount of the goods and services contracted for as set out in the Specification Document, and the Customer agrees this is a genuine pre-estimate of the Supplier's losses in such a case. For the avoidance of doubt, the Customer's failure to comply with any obligations under Clause 7.1 shall be deemed to be a cancellation of the goods and services and subject to the payment of the damages set out in this Clause.

8.3 In the event that the Customer or any third party, not being a sub-contractor of the Supplier, shall omit or commit anything which prevents or delays the Supplier from undertaking or complying with any of its obligations under this Agreement, then the Supplier shall notify the Customer as soon as possible and:

8.3.1 the Supplier shall have no liability in respect of any delay to the completion of any project;

8.3.2 if applicable, the timetable for the project will be modified accordingly;

8.3.3 the Supplier shall notify the Customer at the same time if it intends to make any claim for additional costs.

9 ALTERATIONS TO THE SPECIFICATION DOCUMENT

9.1 The parties may at any time mutually agree upon and execute new Specification Documents. Any alterations in the scope of goods and/or services to be provided under this Agreement shall be set out in the Specification Document, which shall reflect the changed goods and/or services and price and any other terms agreed between the parties.

9.2 The Customer may at any time request alterations to the Specification Document by notice in writing to the Supplier. On receipt of the request for alterations the Supplier shall, within 1 working day or such other period as may be agreed between the parties, advise the Customer by notice in writing of the effect of such alterations, if any, on the price and any other terms already agreed between the parties.

9.3 Where the Supplier gives written notice to the Customer agreeing to perform any alterations on terms different to those already agreed between the parties, the Customer shall, within 5 working days of receipt of such notice or such other period as may be agreed between the parties, advise the Supplier by notice in writing whether or not it wishes the alterations to proceed.

9.4 Where the Supplier gives written notice to the Customer agreeing to perform alterations on terms different to those already agreed between the parties, and the Customer confirms in writing that it wishes the alterations to proceed on those terms, the Specification Document shall be amended to reflect such alterations and thereafter the Supplier shall perform this Agreement upon the basis of such amended terms.

9.5 The Customer will not pay for any unagreed changes or deviations from the Specification Document.

10 WARRANTY

10.1 The Supplier warrants that as from the date of delivery for a period of 12 months the goods and all their component parts, where applicable, are free from any defects in design, workmanship, construction or materials. Any additional warranties described in the specification document are manufacturer's warranty only.

10.2 The Supplier warrants that the services performed under this Agreement shall be performed using reasonable skill and care, and of a quality conforming to generally accepted industry standards and practices.

10.3 Except as expressly stated in this Agreement, all warranties whether express or implied, by operation of law or otherwise, are hereby excluded in relation to the goods and services to be provided by the Supplier.

11 INDEMNIFICATION

The Customer shall indemnify the Supplier against all claims, costs and expenses which the Supplier may incur and which arise, directly or indirectly, from the Customer's breach of any of its obligations under this Agreement, including any claims brought against the Supplier alleging that any goods

and/or services provided by the Supplier in accordance with the Specification Document infringes a patent, copyright or trade secret or other similar right of a third party.

12 LIMITATION OF LIABILITY

12.1 Except in respect of death or personal injury due to negligence for which no limit applies, the entire liability of the Supplier to the Customer in respect of any claim whatsoever or breach of this Agreement, whether or not arising out of negligence, shall be limited to the price paid by the Customer to which the claim relates, and additional fees, charges or penalties incurred by the customer.

12.2 The Supplier shall be liable to pay to us, on demand, all reasonable costs, charges or losses sustained or incurred by us (including without limitation, any direct, indirect or consequential losses, loss of profit and loss of reputation, loss of damage to property and those arising from injury to or death of any person and loss of opportunity to deploy resources elsewhere) arising directly or indirectly from your fraud, negligence, failure to perform or delay in the performance of any of its obligations under the Contract, subject to our confirming such costs, charges and losses to you in writing.

13 TERMINATION

Either party may terminate this Agreement forthwith by notice in writing to the other if:

13.1 the other party commits a material breach of this Agreement and, in the case of a breach capable of being remedied, fails to remedy it within 30 calendar days of being given written notice from the other party to do so;

13.2 the other party commits a material breach of this Agreement which cannot be remedied under any circumstances;

13.3 the other party passes a resolution for winding up (other than for the purpose of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect;

13.4 the other party ceases to carry on its business or substantially the whole of its business; or

13.5 the other party is declared insolvent or convenes a meeting of or makes or proposes to make any arrangement or composition with its creditors; or a liquidator, receiver, administrative receiver, manager, trustee or similar officer is appointed over any of its assets.

14 INTELLECTUAL PROPERTY RIGHTS

14.1 All Intellectual Property Rights produced from or arising as a result of the performance of this Agreement shall, so far as not already vested, become the absolute property of the Customer, and the Supplier shall do all that is reasonably necessary to ensure that such rights vest in the Customer by the execution of appropriate instruments or the making of agreements with third parties.

14.2 All intellectual property rights in anything provided to the Supplier as part of the Service will remain the property of the Customer or our licensors.

14.3 the Supplier shall indemnify and hold harmless the Customer against all damages (including costs) and expenses that may be awarded or agreed to be paid to any third party in respect of any

claim or action that the provision of the Service during or after the termination or expiry of this agreement infringes any intellectual property right of any third party or is in breach of any Contract that you may have with any third party.

15 ARTWORK AND PRESS PREPERATION (FOR PRINT/GRAPHICS SUPPLIERS ONLY)

15.1 Where artwork is supplier by the Customer, it is the Suppliers duty to inform the Customer of any potential issue before printing. The Customer shall incur no liability for pre-press errors which the Supplier fails to identify.

16 MATERIALS

16.1 Quantities of the Materials supplied by the Customer shall be adequate to cover normal trialling, spoilage and wastage and shall be supplied within a reasonable time prior to manufacture or production of the Work. Any additional material used will be chargeable at the Customers normal buy in rate.

16.2 Where the materials are supplied by the Customer responsibility for defective material is the responsibility of the Customer before and up to the point of delivery. After the specified material is delivered it is the Suppliers responsibility to insure proper storage.

17. CONFIDENTIALITY

17.1 The Supplier hereby undertakes to the other to:-

17.1.1 keep confidential all information (written or oral) concerning the business and affairs of the other that it shall have obtained or received as a result of the discussions leading up to or the entering into or performance of this agreement (“the Information”);

17.1.2 not without the other’s written consent disclose the information in whole or in part to any other person save those of its employees’ agents and sub-contractors involved in the provision or receipt of the Services and who have a need to know the same; and

17.1.3 use the Information solely in connection with the provision or receipt of the Services and not for its own benefit or the benefit of any third party.

17.2 The provisions of clause 17.1 above shall not apply to the whole or any part of the Information to the extent that it is:

17.2.1 trivial or obvious;

17.2.2 already in the other’s possession on the date of its disclosure; or

17.2.3 in the public domain other than as a result of a breach of this clause

18 FORCE MAJEURE

Neither party shall be liable for any delay or failure to perform any of its obligations if the delay or failure results from events or circumstances outside its reasonable control, including but not limited to acts of God, strikes, lock outs, accidents, war, fire, the act or omission of government, highway authorities or any telecommunications carrier, operator or administration or other competent authority, or the delay or failure in manufacture, production, or supply by third parties of equipment

or services, and the party shall be entitled to a reasonable extension of its obligations after notifying the other party of the nature and extent of such events. Notification of such events must be presented to the other party immediately.

19 NON-SOLICITATION

Without the written consent of the other neither party during the term of this agreement and for a period of twelve months after expiry or termination howsoever caused shall retain remunerate or solicit the other party's staff who have been employed or engaged in the provision of the Service or the performance of this agreement. For the purposes of this clause "solicit" means the soliciting of such person with a view to engaging such person as an employee director sub-contractor or independent contractor.

20 INDEPENDENT CONTRACTORS

The Supplier and the Customer are contractors independent of each other, and neither has the authority to bind the other to any third party or act in any way as the representative of the other, unless otherwise expressly agreed to in writing by both parties. The Supplier may, in addition to its own employees, engage sub-contractors to provide all or part of the services being provided to the Customer and such engagement shall not relieve the Supplier of its obligations under this Agreement or any applicable Specification Document.

21 ASSIGNMENT

The Customer shall not be entitled to assign its rights or obligations or delegate its duties under this Agreement without the prior written consent of the Supplier.

22 SEVERABILITY

If any provision of this Agreement is held invalid, illegal or unenforceable for any reason by any Court of competent jurisdiction such provision shall be severed, and the remainder of the provisions herein shall continue in full force and effect as if this Agreement had been agreed with the invalid illegal or unenforceable provision eliminated.

23 WAIVER

The failure by either party to enforce at any time or for any period any one or more of the Terms and Conditions herein shall not be a waiver of them or of the right at any time subsequently to enforce all Terms and Conditions of this Agreement.

24 NOTICES

Any notice to be given by either party to the other may be served by email, personal service or by post to the address of the other party given in the Specification Document or such other address as such party may from time to time have communicated to the other in writing, and if sent by email shall unless the contrary is proved be deemed to be received on the day it was sent, if given by letter shall be deemed to have been served at the time at which the letter was delivered personally or if sent by post shall be deemed to have been delivered in the ordinary course of post.

25 ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties relating to the subject matter and supersedes any previous agreements, arrangements, undertakings or proposals, oral or written. Unless expressly provided elsewhere in this Agreement, this Agreement may be varied by a full summation of the Media Graphics Goods Supplier Form or Supplier signed copy. Nothing in this Agreement is intended to, nor shall it confer any rights on a third party.

26 GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the law of England OR Scotland and the parties hereby submit to the exclusive jurisdiction of the English OR Scottish courts.