

CHALFONT PRODUCTS LTD.

1 Terms of Contract

Only these printed conditions together with any written amendments and/or alterations authorised by a Director of Chalfont Products Limited ('the Company') shall apply to this contract. In particular, no statement in any quotation shall form part of the contract unless it has been specifically included. The word 'buyer' will be construed as any individual firm, company or corporation contracting with the Company.

2 Formation of Contract

Quotations given by the Company are not offers capable of acceptance by the buyer. There shall be no binding contract until written acceptance of the buyer's order by the Company has been despatched to the buyer.

3 Price

(a) Unless otherwise stated in writing, all prices quoted are on a delivered basis, based on original quantity and delivery requirements of buyer.
(b) All prices are subject to Value Added Tax and any other government duty or tax applicable and orders are only accepted for execution at the Company's prices ruling on date of despatch. Prices are subject to increase related to additional costs incurred by the Company after the date of quotation in respect of material, labour and/or transport.
(c) Any extra costs incurred by the Company on account of delays, interruptions or suspension of work due to default on the part of the buyer will be added to the contract price.

4 Payment

Subject to satisfactory credit references being supplied prior to the delivery of the order, payment shall be due net cash within fourteen days following the month of delivery. In the absence of satisfactory credit references, payment in full for all goods will be required in advance of delivery and, for special orders, prior to manufacture. In any case where instalment deliveries have been agreed, payment for each instalment shall be duly made within fourteen days following the month of delivery in respect of that instalment.

5 Non-payment on or before the due date (time being of the essence) shall entitle the Company, without prejudice to any other rights, to:-

- (a) suspend any further deliveries of goods whether under this contract or any other contract and to demand full payment immediately for all goods specially manufactured for the buyer and held by the Company for call-off;
- (b) repossess the goods provided they are not specially produced by the Company (the buyer granting the Company all necessary access); and
- (c) receive interest at the rate of 4 per cent above Barclays Bank Plc's base rate for the time being on the unpaid balance, whether before or after any judgement.

6 The buyer shall not be entitled to delay payment of the price or any part thereof on the ground that it has a claim or set-off against the Company.

7 Delivery

Delivery dates as given shall mean ex-factory and shall date from despatch of Company's acceptance of the buyer's order or from receipt by the Company of all necessary information, (including Artwork, Printing Plates and Tools), to enable the Company to commence work, whichever be the later.

8 Unless specifically agreed in writing by the Company to the contrary all delivery dates are estimated only and whilst every effort will be made to keep to quoted delivery dates the Company shall be under no liability whatsoever if for any reason delivery is delayed.

9 If the buyer is unwilling or unable to accept delivery on or after the due delivery date at the premises stated on the order form the Company shall have the right (in addition to any other rights granted by these conditions) to make a storage charge for goods not so delivered and also to recover from the buyer all additional transport and handling costs.

10 Notwithstanding the provisions of Condition 9, the buyer may at any time prior to the due delivery date and by a written notice request postponement of any delivery for a period not exceeding two calendar months, in which case the Company shall use all reasonable endeavours to arrange for the goods in question to be stored appropriately but at the Buyer's risk and the Company will accept no responsibility for deterioration in the quality of those goods. Postponement of delivery pursuant to this condition shall not affect the Company's right to invoice or to receive payment for goods subject to notice of postponement and the Company shall be entitled to charge for any storage beyond the said two month period.

11 Risk

The Buyer shall be liable for all risks to goods supplied from time of delivery to the buyer, notwithstanding that title to the goods has not passed by virtue of Condition 12.

12 Title

The title in all goods supplied by the Company shall remain in the Company until payment for those goods has been made in full. In the case of instalment deliveries, no title in any goods supplied pursuant to that order shall pass until payment has been made in full for that order.
(a) The buyer shall be free to sell any of these goods in the ordinary course of its business so as to pass good title to any third party, provided always that claims for proceeds from such resale shall be deemed to be assigned to the Company. Proceeds from such resale received by the buyer shall be held by the buyer on trust for the Company to the extent necessary to effect full payment to the Company, the buyer shall if required by the Company, immediately upon such resale notify the Company with full details of such resale. Furthermore, the Company shall be entitled to notify the ultimate purchaser that such resale price is to be paid direct to the Company.

(c) Until the full purchase price has been paid, goods remaining in the buyer's possession shall be held by the buyer as bailee in a fiduciary capacity for the Company. Which shall be entitled to terminate such bailment and the buyer hereby grants the Company the irrevocable licence to enter upon the buyer's premises to recover the whole or any part of the goods, which in the meantime shall be stored in such a way as to clearly identify them as being the Company's property.

(d) This condition shall apply to all contracts within the United Kingdom and to all export contracts except those where any applicable law would render a contract containing this or a similar condition void or subject to registration, in which case this condition shall not apply.

13 Shortages, Damage and Non-Delivery

The Buyer shall advise the Company by telephone and confirm in writing all shortages of delivery or damage to goods within 7 days of delivery, specifying the shortage or damage and provided that the delivery note is marked "unexamined". In no case will the buyer be entitled to reject the goods on the grounds of shortage.

14 Any shortage or surplus to an order not exceeding 10% will be considered due execution of that order and the contract shall be adjusted pro-rata.

15 The Company shall not be liable for non-delivery of a whole consignment unless the buyer notifies the Company of such within 10 days of receipt by the buyer of the Company's invoice.

16 Where goods have been consigned by an outside carrier, the buyer shall comply in all respects with the carrier's conditions for notifying claims.

17 Goods which are the subject of a complaint should be returned carriage paid to the Company and must be accompanied by full written details of the complaint.

18 Specification

(a) Unless otherwise agreed, this shall be a contract for sale by sample.

Terms and Conditions of Trading

(b) It shall be the buyer's responsibility to satisfy itself that the sample is suitable in all respects for the buyer's purpose.

(c) The Company shall be entitled to deliver and charge for goods supplied within the usual production tolerances.

(d) The buyer shall inform the Company by written notice of any special circumstances or conditions affecting or liable to affect the use of the goods.

(e) Colour shall be subject to commercially acceptable variation using the Pantone Colour System as a standard.

19 Buyer's Materials

(a) Where the Company has been requested to process the buyer's materials no obligation shall be raised to a reasonable wastage allowance.

(b) The Company does not accept liability for loss or damage to the buyer's materials in its possession (whether on the Company premises or in transit) unless such loss or damage is shown to have been caused by the willful default or neglect of the Company, in which case the Company's liability shall not exceed the replacement value of materials damaged or destroyed.

20 Artwork and Design

(a) All drawings, designs, tools, artwork, films or printing plates supplied to the Company by the buyer in connection with the contract shall remain the property of the buyer and shall be treated as confidential by the Company, provided always that the buyer shall indemnify the Company against all damages, penalties, costs and expenses arising out of infringement or alleged infringement of any intellectual property rights as the result of any work carried out in accordance with the buyer's specification and instruction.

(b) All sketches and origination work prepared by the Company shall remain the property of the Company unless specifically paid for in full by the buyer.
(c) All alterations of artwork/printed copy or other designs or tools after signed acceptance of the first proof or sample or camera ready artwork will be charged extra at cost. Proofs, samples or camera ready work will be submitted for the buyer's approval and no responsibility will be accepted by the Company for any errors after signed acceptance has been given by the buyer.

(d) Following completion of an order involving the use of artwork, films, printing plates, special tools or special colours, the same will be destroyed immediately unless either they belong to the buyer or written arrangements have been made to the contrary with the Company. All printing plates and stereos will only be guaranteed for six months should special written arrangements be made in this respect.

(e) Whilst every reasonable endeavour has been made by the Company to avoid infringement of third party rights, no representation or warranty is made to the buyer that goods supplied pursuant to this contract do not infringe the intellectual property rights of any third party.

21 Termination and Suspension

The company reserves the right by written notice to suspend or cancel any order or part of any order:-

(a) if compelled to do by reason beyond the Company's reasonable control including but not limited to strikes, lockouts, accidents, breakdown of plant or machinery or shortage or unavailability of raw materials or components (imported or otherwise) from normal sources of supply;

(b) in the event of failure by the buyer to comply with any of its obligations under this contract; or

(c) if the Company is reasonably of the opinion that the buyer is not in a position to meet its commitments to the Company or if the buyer (being a limited company) goes into liquidation other than a voluntary liquidation for the purposes of amalgamation or reconstruction only or has a Receiver appointed of its undertaking or assets or a substantial part thereof.

Any such suspension of delivery or termination of the contract by the Company shall be without prejudice to any other rights which the Company may have against the buyer.

22 Health and Hygiene

It is the buyer's responsibility to ensure that the use of goods supplied under this contract will not give rise to any danger to health or to any breach of any legislation or statutory or governmental regulation relating to health and/or hygiene.

23 Liability

(a) If goods supplied by the Company under this contract are found to be defective due to faulty materials supplied by the Company and/or workmanship by the Company, the Company shall forthwith make good or give credit for such goods subject to the remaining provisions of this condition.

(b) Written notice of every claim under this condition must be given to the Company by the buyer as soon as reasonably practicable and in any event within two months after the date of delivery to the buyer.

(c) No liability under this condition shall attach to the Company where damage has occurred after delivery of goods, where the goods have been subjected to improper or unusual usage or stored in an unsuitable environment or (in the case of allegedly defective material) where the material was supplied by the buyer.

(d) In the case of goods supplied by, but not manufactured by the Company, the Company's sole responsibility shall be to give to the buyer the same warranty as given by the manufacturer to the Company, which shall not be required to bear any liability or expense greater than the amount actually recovered from the manufacturer.

(e) So far as permitted by law, the Company's liability under this condition shall be in lieu of any other warranty or condition, express or implied and statutory or otherwise, and in no event shall the Company be liable for the buyer's loss of profits, increased cost of working or any consequential loss.

24 Cancellation

The Company reserves the right to refuse purported cancellation of any order and to demand full payment of the price for the same, although the Company may at its sole discretion accept any cancellation upon such terms as it thinks fit.

25 Subcontracting/Assignment

The Company reserves the right to sub contract the whole or any part of a contract, the benefit of which may not be assigned without prior written consent of the Company.

26 Force Majeure

Notwithstanding any other terms hereof, neither party shall be deemed to be in breach of these conditions or otherwise liable to the other of them for any delay in performance or non-performance of any obligation under these conditions to the extent that the same is due to any force majeure of which notice has been duly given to the other party. In this respect, if either party is affected by force majeure it will properly notify the other party of the nature and extent of the circumstances in question.

27 Export Orders

Except where the contract otherwise requires these Conditions shall apply to export contracts and prices quoted shall be ex factory and all payments shall be made in sterling as directed by the Company.

28 Notices

All notices relating to goods supplied under these Conditions shall be in writing and delivered to the addressee at its address shown in the contract or its last known business address as subsequently notified to the Company.

29 Proper Law

This contract shall in all respects be construed and will operate as an English contract in conformity with English Law and the parties hereto submit to the jurisdiction of the English Courts. The interpretation of the English edition shall prevail over any translation. If any part of these conditions is held by any Court or Tribunal to be unenforceable or void, this shall not affect the remainder of the contract, which shall continue in full force and effect.