

MACHINE SHOP SPECIAL PROJECTS LIMITED

TERMS AND CONDITIONS OF TRADE

1. Formation of contract

1.1 These Terms and Conditions shall apply to all contracts entered into by Machine Shop Special Projects Limited ("Company") with any customer ("Customer") named in the purchase order ("Purchase Order") or quotation ("Quotation") overleaf. No addition to or variation of or exclusion of these terms and conditions or any of them shall be binding on the Company unless expressly confirmed in writing by the Company. Words and phrases in these Terms and Conditions shall be construed in accordance with the material particulars of the Purchase Order to which they are attached and the word "Agreement" shall mean any such Purchase Order in which these Terms and Conditions are incorporated.

1.2 Subject to Clause 1.1. Above these Terms and Conditions shall prevail over and override any inconsistent Terms and Conditions whether express or implied contained in or referred to in the Customer's acceptance in the Customer's acceptance or the Customer's terms and conditions of trade or in any correspondence between the parties or elsewhere. Any agreement to the contrary is expressly excluded and extinguished.

1.3 No contract shall come into existence between the Company and the Customer unless and until the Customer shall have signed and delivered to the Company the Purchase Order.

2. The services

2.1 The Company agrees to provide to the Customer the Services of the Company as set out in the Purchase Order throughout the Period.

2.2 The Customer shall provide the Company with instructions within a reasonable period so to allow the Company to adequately perform the Services within the given time.

2.3 In the event of changes made by the Customer to the Schedule, (provided that such a schedule has been agreed by the Customer and the Company), or to the specifications the Customer shall pay the Company for the additional time spent by the Company carrying out of the Services or producing the Delivery Material and the Customer shall indemnify the Company and keep the Company indemnified in relation to any cost or liability that the Company incurs as a result of the delay caused by such changes.

2.4 The Customer shall be entirely responsible for:

(a) Compliance by the Customer with all rules and regulations applicable to the Customer's premises and English Law.

(b) the actions of the Customer and the Personnel whilst at the Customer's premises;

(c) the use of the equipment;

(d) the direct or indirect results of the actions of the Customer and the Personnel and the use by the Customer or the Personnel of the Equipment.

2.5 The Customer shall procure that all persons servicing or internally accessing the Services or Delivery Material are suitably qualified and comply with any terms, conditions and/or restrictions imposed on such use by insurers.

2.6 It is not a condition of the Agreement between the Company and the Customer and there is no express or implied warranty on the part of the Company that the Services and the Delivery Materials are fit for the purposes of the Customer and there is no obligation whatever on the part of the Company to assess the needs of the Customer or to advise the Customer in relation to such needs. Any assessment or advice, which may be given by the Company, is entirely without liability on the part of the Company and does not form part of any agreement between the Company and the Customer.

3. Payment

3.1 It is a condition precedent to any liability of the Company to the Customer and to the ability of the Customer to use the Delivery Material or Services that the charges specified in the Purchase Order shall be paid on the date specified in the Purchase Order in full without deduction set-off or counterclaim.

3.2 Time for payment shall be of the essence of this Agreement and if the Customer fails to effect payment to the Company whether in whole or in part of any sums due pursuant to this Agreement the Company shall be entitled to sell, hire or charge any property over which it has a lien and exercise any rights vested in it or assigned to it and retain the proceeds arising from such sale or exercise for the Company's own use and benefit absolutely. The Customer expressly agrees and confirms that the Company shall not be deemed to be a trustee in respect of sums received by it in excess of the amount due to the Company nor shall such excess be taken to limit or reduce any damages otherwise payable to the Company as a result of any breach by the Customer of its agreement with the Company.

3.3 In the event of the Customer failing to make payment of any sums due to the Company the Customer shall be liable to pay interest on such sum from the due date of payment to the actual date of payment at an interest rate which will be 5% above base rate of Natwest Bank plc prevailing from time to time during such period.

3.4. In the event of cancellation by the Customer of the Purchase Order or this Agreement the Customer shall be liable to pay the Company for costs for materials ordered and work completed or in progress, at the Company's selling price, at the time of any cancellation of this contract. For the purpose of this Clause notice shall be required to be in writing and delivered personally to the Company's Managing Director. The Company shall have the right to retain the whole or any part of any advance payment made by the Customer to the Company in order to defray any cancellation Charges.

4. Price

4.1 Value Added Tax and any other sales or purchase tax or duties of the Delivery Material shall be payable by the Customer in addition to the price and shall be charged at the rate prevailing at the date of delivery. Where no VAT is payable by the Customer the Customer shall provide the Company with an independently verified Customer VAT number.

4.2 Prices are quoted exclusive of delivery and insurance charges that may be incurred by the Company in relation to the provision of the Services or Delivery Material.

5. Charge rates

5.1 All charges shall be in accordance with the particulars contained in the Purchase Order and in the Company's Rate Card as amended from time to time.

5.2 The Company charges at an hourly rate as specified in the Company's Rate Card rate the charges include initial preparation and meetings and any experimental work. An additional amount may be charged by the Company for added value in relation to the Delivery Material. Travel time from Company Base to Location, Studio or other place of work will also be charged to the Customer.

5.3 Travelling expenses, where incurred shall be charged at the Company's current Rate Card rates. Overnight expenses shall be charged to the Customer when working hours and locations make it unreasonable to expect return to the Company's offices and, in any case, beyond 21.00 hours outside the M25 area where the following day is a working day. Meals when not provided by the Customer are to be charged to the Customer at Rate Card rates when working away from the Company's offices.

5.4 Supervisor and Technician charge rates are at the Company's base rates (T) with overtime and penalty payments at the rates described in the current AFVPA agreement.

6. Reservation of title

6.1 Notwithstanding delivery of any items of Delivery Material title to them shall not pass to the Customer until the Company has received payment in full of all sums owed to the Company under this Agreement and any other agreement between the Company and the Customer and until such time the Customer shall have possession of the Delivery Material as bailee and fiduciary agent for the Company notwithstanding any work on the goods or inclusion of the goods into the body or fabric of the building or any fixtures or furniture by the Customer, their agents or their contractors. The Customer shall take all measures necessary for the protection of the Delivery Material after delivery has taken place.

6.2 The Company reserves the right to repossess the whole or any part of any Delivery Material to which it retains title (and resell the same) if payment for the Delivery Material is overdue or if a resolution is passed or an order is made for the winding up of the Customer or a receiver, administrative receiver or administrator is appointed in respect of the Customer or any of its assets or the Customer becomes bankrupt or the Company reasonably believes that any of the above may occur. The Customer grants the irrevocable right and license to the Company its employees and agents to enter upon all or any of the Customer's premises with or without vehicles during normal business hours for the purpose of exercising this right. This right shall continue to subsist notwithstanding the termination of this Agreement for any reason and is without prejudice to the Company's other rights. Any expense incurred by the Company in repossessing and/or reselling the Delivery Material shall be borne by the Customer.

7. Copyright and Credit

7.1 The Customer acknowledges that the Company is the sole absolute unencumbered owner of all rights subsisting in

the product of the Services and the Delivery Material.

7.2 Subject to the payment by the Customer to the Company of all sums due under this Agreement and any other agreement between the Company and the Customer the Company assigns to the Customer the copyright and all other rights in and to the Delivery Material.

7.3 The Customer warrants to the Company that it has obtained all consents and licenses and clearances required from all owners of performers' rights performers' property rights copyright moral rights and all other persons of any description having any proprietary or other right or interest of whatever nature in the product of the Services or the Delivery Material and in respect of the exploitation of materials made or recorded in the studios or any location at which the Services are rendered and undertakes to indemnify the Company from and against all and any liability to third parties for royalties performance incomes statutory and/or mechanical fees defamation breach of privacy infringement of copyright moral rights trade marks publicity rights privacy right personality right or any right whatever involved or arising directly or indirectly as a result of the Customer's activities.

7.4 The supply of goods or services by the Company to the Customer shall not convey any right to the Customer to use any trade mark of the Company (whether registered or unregistered) without prior written consent of the Company and all times such trade marks shall remain the property of the Company.

7.5 The Company retains title to the rights relating to the method of creating the Delivery Material including any copyright and patent rights relating to such method. The Customer shall not be entitled to replicate the Delivery Material or to disclose to any third party the method used in the creation of the Delivery Material and any information obtained by the Customer or the Personnel shall be treated as strictly confidential and shall not be disclosed to any third party. The Rights shall be understood to include the right of the Company to sole ownership of all copyright, design right and patent right in relation to and arising out of the Services, the product of the Services and the Delivery Material.

7.6 The Company retains all rights to any model or prototype or equipment created by the Company for the purposes of the Delivery Material. The Company shall have the right to use model, prototype or equipment in relation to advertising and promotional activities of the Company after publication of the Delivery Material by the Customer.

7.7 The Customer shall accord credit to the Company and to any individuals whose names are specified from time to time by the Company on all advertising, films, television programmes, commercials, promotions, interactive audio-visual material or any other audio-visual material derived from or incorporating the Delivery Material as follows: "SUPPLIED BY" Machine Shop trade mark and logo.

8. Delivery carriage and risk

8.1 Risk in the Delivery Material shall pass to the Customer on delivery or on delivery being tendered by the Company notwithstanding any refusal of delivery by the Customer.

8.2 While reasonable efforts will be made to meet the Delivery Date any such date is an estimate only and shall not amount to a term of the contract. Under no circumstances shall the Company have any liability for any loss or damage sustained by the Customer in consequence of any failure to deliver on a particular date or otherwise in consequence of any delay in delivery provided that the Customer shall be entitled to cancel its order by written notice to the Company if delivery of the Delivery Material is not made within a reasonable time after the specified Delivery Date.

8.3 The Company may effect delivery in one or more instalments. Damage to, defects in or loss of one instalment of any order shall not entitle the Customer to cancel or to refuse to accept delivery of the remaining instalments of the order.

8.4 If the Customer refuses or fails to take delivery of the Delivery Material, the Company shall be entitled to immediate payment in full for the Delivery Material. All storage and transport costs incurred by the Company as a result of such refusal or failure shall be payable by the Customer.

8.5 Where the Delivery Material is supplied by the Company to the Customer the Customer shall be deemed irrevocably to have accepted it unless the Customer shall have objected to the Company during a scheduled 'sign-off' meeting on site in the presence of the Customer or their authorised representative and the Company's authorised representative. Notice of such a meeting shall be given in the project schedule and confirmed in advance within 14 days of such a meeting being held. In the event any Delivery Material delivered to the Customer is of unsatisfactory quality and the Company accepts that it is of unsatisfactory quality the Company's sole liability shall be in relation to the replacement of the Delivery Material and the Company shall incur no further liability whatever in relation to any loss suffered by the Customer as a result of the defective or late delivery.

9. Liability exclusion insurance and indemnity.

9.1 The Company shall not be liable to the Customer in contract, tort or otherwise for loss or damage caused by any act, neglect or default of the Customer or a third party. The Customer will maintain a duplicate copy of all audio and audio-visual and other material of any description supplied by the Customer to the Company and the Company will not be responsible for the loss or destruction of any such material other than to replace the medium on which it was provided.

9.2 The Company may at its option make good any shortage or non delivery and/or as appropriate replace or repair any part of the Delivery Material found and acknowledged by the Company to be damaged or defective and repair or replacement of any such Delivery Material shall constitute full and final satisfaction of any claim.

9.3 The Company's aggregate liability to the Customer whether for negligence, breach of contract misrepresentation or otherwise shall in no circumstances exceed the Net Price of the Delivery Materials reasonably accepted by the Company to have been damaged defective or undelivered determined by Net Price invoiced to the Customer provided that this provision shall not affect any liability of the Company for death or personal injury caused by its negligence. 'Net Price' excludes value added tax and other taxes and any other additional charges. The Company's prices are determined on the basis of the limit of liability set out in this condition.

9.4 In the event the Customer decides for whatever reason that the amounts insured by the Company are insufficient to meet the maximum possible loss contemplated by the Customer the Customer undertakes to effect such further insurance as may be necessary to protect the Customer.

9.5 The Customer warrants and undertakes that the aggregate amounts of the insurance cover effected by the Company together with any additional amounts of the insurance cover effected by the Customer shall be sufficient to cover any and all liability of the Company towards the Customer. Any such liability is subject to any exceptions provided under such policy of insurance. The Customer shall notify all insurers within the time limit specified in the policy and shall not do or omit to do anything, which might lead such insurers to disclaim any policy

10. Miscellaneous

10.1 The Customer undertakes to indemnify the Company and keep it fully and effectively indemnified from and against any and all costs, claims, fees, expenses, awards demands or damages it may suffer or incur.

(a) As a result of the death injury damage or loss suffered by any third party or any employee of the company or those engaged by it or connected or associated with it as a direct or indirect result of any act or omission by the Customer whether negligent or accidental when acting alone or when carrying out the direction request or instruction of the Customer.

(b) As a result of any breach by the Customer of any of the provisions of this Agreement with the Company or any failure or delay in connection with this Agreement.

(c) As a result of any loss suffered by the Customer in excess of the amount of the insurance cover provided by the Company including expressly but not limited to loss of profits, loss of goodwill, damage to reputation and all remote and indirect loss or damage whatever.

10.2 If any term or provision or any part of a term or provision in these Terms and Conditions shall be held to be illegal or unenforceable under an enactment or rule of law such term or provision or part of it shall to that extent be deemed not to form part of these Terms and Conditions then the enforceability of the remainder of the terms and conditions shall not be affected.

10.3 The Company shall not be liable to the Customer in contract, tort or otherwise for any loss or damage which may be suffered by the Customer as a direct or indirect result of the supply of Services or Delivery Material by the Company being prevented prohibited hindered or delayed by reason of circumstances or events beyond the Company's reasonable control. In such circumstances the Company shall have the option either to terminate this Agreement or the unfulfilled part of it or to extend the time for delivery to a reasonable time after the relevant circumstances cease to apply.

10.4 The Company may delay or permit the passage of time before taking steps to enforce provisions of these terms and conditions without prejudicing or waiving its rights.

10.5 Any notices required to be served by the Company on the Customer shall be deemed to be properly served if delivered in person or sent by first class prepaid post or recorded mail to the addresses specified for the Company and/or the Customer as appropriate on the Purchase Order.

10.6 The Company shall be entitled to assign its rights and/or obligations under this Agreement. This Agreement is personal to the Customer and may not be assigned or charged by it.

10.7 The construction validity and performance of these terms and conditions shall be governed and construed in accordance with the law of England and Wales whose courts shall be courts of competent jurisdiction.

MACHINE SHOP SPECIAL EFFECTS LIMITED

TERMS AND CONDITIONS OF TRADE

1. Formation of contract

1.1 These Terms and Conditions shall apply to all contracts entered into by Machine Shop Special Effects Limited ("Company") with any customer ("Customer") named in the purchase order ("Purchase Order") or quotation ("Quotation") overleaf. No addition to or variation of or exclusion of these terms and conditions or any of them shall be binding on the Company unless expressly confirmed in writing by the Company. Words and phrases in these Terms and Conditions shall be construed in accordance with the material particulars of the Purchase Order to which they are attached and the word "Agreement" shall mean any such Purchase Order in which these Terms and Conditions are incorporated.

1.2 Subject to Clause 1.1. Above these Terms and Conditions shall prevail over and override any inconsistent Terms and Conditions whether express or implied contained in or referred to in the Customer's acceptance in the Customer's acceptance or the Customer's terms and conditions of trade or in any correspondence between the parties or elsewhere. Any agreement to the contrary is expressly excluded and extinguished.

1.3 No contract shall come into existence between the Company and the Customer unless and until the Customer shall have signed and delivered to the Company the Purchase Order.

2. The services

2.1 The Company agrees to provide to the Customer the Services of the Company as set out in the Purchase Order throughout the Period.

2.2 The Customer shall provide the Company with instructions within a reasonable period so to allow the Company to adequately perform the Services within the given time.

2.3 In the event of changes made by the Customer to the Schedule or to the specifications the Customer shall pay the Company for the additional time spent by the Company carrying out of the Services or producing the Delivery Material and the Customer shall indemnify the Company and keep the Company indemnified in relation to any cost or liability that the Company incurs as a result of the delay caused by such changes.

2.4 The Customer shall be entirely responsible for:

(a) Compliance by the Customer with all rules and regulations at the studios and locations where the Services are rendered and compliance with all lawful directions of the Company including expressly any decision by the Company to refuse admission to or reject any of the Customer's personnel, ("Personnel").

(b) the actions of the Customer and the Personnel while in the studios or locations;

(c) the use of the equipment;

(d) the direct or indirect results of the actions of the Customer and the Personnel and the use by the Customer or the Personnel of the Equipment.

2.5 The Customer shall procure that all persons using the Services or Delivery Material are suitably qualified and comply with any terms, conditions and/or restrictions imposed on such use by insurers.

2.6 It is not a condition of the Agreement between the Company and the Customer and there is no express or implied warranty on the part of the Company that the Services and the Delivery Materials are fit for the purposes of the Customer and there is no obligation whatever on the part of the Company to assess the needs of the Customer or to advise the Customer in relation to such needs. Any assessment or advice, which may be given by the Company, is entirely without liability on the part of the Company and does not form part of any agreement between the Company and the Customer.

3. Payment

3.1 It is a condition precedent to any liability of the Company to the Customer and to the ability of the Customer to use the Delivery Material or Services that the charges specified in the Purchase Order shall be paid on the date specified in the Purchase Order in full without deduction set-off or counterclaim.

3.2 Time for payment shall be of the essence of this Agreement and if the Customer fails to effect payment to the Company whether in whole or in part of any sums due pursuant to this Agreement the Company shall be entitled to sell, hire or charge any property over which it has a lien and exercise any rights vested in it or assigned to it and retain the proceeds arising from such sale or exercise for the Company's own use and benefit absolutely. The Customer expressly agrees and confirms that the Company shall not be deemed to be a trustee in respect of sums received by it in excess of the amount due to the Company nor shall such excess be taken to limit or reduce any damages otherwise payable to the Company as a result of any breach by the Customer of its agreement with the Company.

3.3 In the event of the Customer failing to make payment of any sums due to the Company the Customer shall be liable to pay interest on such sum from the due date of payment to the actual date of payment at an interest rate which will be 5% above base rate of Natwest Bank plc prevailing from time to time during such period.

3.4. In the event of cancellation by the Customer of the Purchase Order or this Agreement the Customer shall be liable to pay to the Company 100% of the Charges specified in the Purchase Order if less than 48 hours notice of cancellation is received by the Company prior to the Company commencing the Services or contracting third parties to provide materials or Services. If 7 days notice is received by the Company 50% of such Charges shall be payable and if 14 days or more notice is received by the Company 25% of such Charges shall be payable. For the purpose of this Clause notice shall be required to be in writing and delivered personally to Mr Paul Mann. The Company shall have the right to retain the whole or any part of any advance payment made by the Customer to the Company in order to defray any cancellation Charges.

4. Price

4.1 Value Added Tax and any other sales or purchase tax or duties of the Delivery Material shall be payable by the Customer in addition to the price and shall be charged at the rate prevailing at the date of delivery. Where no VAT is payable by the Customer the Customer shall provide the Company with an independently verified Customer VAT number.

4.2 Prices are quoted exclusive of delivery and insurance charges that may be incurred by the Company in relation to the provision of the Services or Delivery Material.

5. Charge rates

5.1 All charges shall be in accordance with the particulars contained in the Purchase Order and in the Company's Rate Card as amended from time to time.

5.2 The Company charges at an hourly rate as specified in the Company's Rate Card rate the charges include initial preparation and meetings and any experimental work. An additional amount may be charged by the Company for added value in relation to the Delivery Material. Travel time from Company Base to Location, Studio or other place of work will also be charged to the Customer.

5.3 Travelling expenses, where incurred shall be charged at the Company's current Rate Card rates. Overnight expenses shall be charged to the Customer when working hours and locations make it unreasonable to expect return to the Company's offices and, in any case, beyond 21.00 hours outside the M25 area where the following day is a working day. Meals when not provided by the Customer are to be charged to the Customer at Rate Card rates when working away from the Company's offices.

5.4 Supervisor and Technician charge rates are at the Company's base rates (T) with overtime and penalty payments at the rates described in the current AFVPA agreement.

6. Reservation of title

6.1 Notwithstanding delivery of any items of Delivery Material title to them shall not pass to the Customer until the Company has received payment in full of all sums owed to the Company under this Agreement and any other agreement between the Company and the Customer and until such time the Customer shall have possession of the Delivery Material as bailee and fiduciary agent for the Company. The Customer shall take all measures necessary for the protection of the Delivery Material and shall store the same separately from all other Delivery Material and shall not combine or consolidate or mix or incorporate or adapt the whole or any part of the Delivery Material with any other materials or in any way copy any part of it.

6.2 The Company reserves the right to repossess the whole or any part of any Delivery Material to which it retains title (and resell the same) if payment for the Delivery Material is overdue or if a resolution is passed or an order is made for the winding up of the Customer or a receiver, administrative receiver or administrator is appointed in respect of the Customer or any of its assets or the Customer becomes bankrupt or the Company reasonably believes that any of the above may occur. The Customer grants the irrevocable right and license to the Company its employees and agents to enter upon all or any of the Customer's premises with or without vehicles during normal business hours for the purpose of exercising this right. This right shall continue to subsist notwithstanding the termination of this Agreement for any reason and is without prejudice to the Company's other rights. Any expense incurred by the Company in repossessing and/or reselling the Delivery Material shall be borne by the Customer.

7. Copyright and Credit

7.1 The Customer acknowledges that the Company is the sole absolute unencumbered owner of all rights subsisting in the product of the Services and the Delivery Material.

7.2 Subject to the payment by the Customer to the Company of all sums due under this Agreement and any other agreement between the Company and the Customer the Company assigns to the Customer the copyright and all other rights in and to the Delivery Material.

7.3 The Customer warrants to the Company that it has obtained all consents and licenses and clearances required from all owners of performers' rights performers' property rights copyright moral rights and all other persons of any description having any proprietary or other right or interest of whatever nature in the product of the Services or the Delivery Material and in respect of the exploitation of materials made or recorded in the studios or any location at which the Services are rendered and undertakes to indemnify the Company from and against all and any liability to third parties for royalties performance incomes statutory and/or mechanical fees defamation breach of privacy infringement of copyright moral rights trade marks publicity rights privacy right personality right or any right whatever involved or arising directly or indirectly as a result of the Customer's activities.

7.4 The supply of goods or services by the Company to the Customer shall not convey any right to the Customer to use any trade mark of the Company (whether registered or unregistered) without prior written consent of the Company and at all times such trade marks shall remain the property of the Company.

7.5 The Company retains title to the rights relating to the method of creating the Delivery Material including any copyright and patent rights relating to such method. The Customer shall not be entitled to replicate the Delivery Material or to disclose to any third party the method used in the creation of the Delivery Material and any information obtained by the Customer or the Personnel shall be treated as strictly confidential and shall not be disclosed to any third party. The Rights shall be understood to include the right of the Company to sole ownership of all copyright, design right and patent right in relation to and arising out of the Services, the product of the Services and the Delivery Material.

7.6 The Company retains all rights to any model or prototype or equipment created by the Company for the purposes of the Delivery Material. The Company shall have the right to use model, prototype or equipment in relation to advertising and promotional activities of the Company after publication of the Delivery Material by the Customer.

7.7 The Customer shall accord credit to the Company and to any individuals whose names are specified from time to time by the Company on all films, television programmes, commercials, promos, interactive audio-visual material or any other audio-visual material derived from or incorporating the Delivery Material as follows: "SPECIAL EFFECTS BY" Machine Shop trade mark and logo.

8. Delivery carriage and risk

8.1 Risk in the Delivery Material shall pass to the Customer on delivery or on delivery being tendered by the Company notwithstanding any refusal of delivery by the Customer.

8.2 While reasonable efforts will be made to meet the Delivery Date any such date is an estimate only and shall not amount to a term of the contract no circumstances shall the Company have any liability for any loss or damage sustained by the Customer in consequence of any failure to deliver on a particular date or otherwise in consequence of any delay in delivery provided that the Customer shall be entitled to cancel its order by written notice to the Company if delivery of the Delivery Material is not made within a reasonable time after the specified Delivery Date.

8.3 The Company may effect delivery in one or more instalments. Damage to, defects in or loss of one instalment of any order shall not entitle the Customer to cancel or to refuse to accept delivery of the remaining instalments of the order.

8.4 If the Customer refuses or fails to take delivery of the Delivery Material, the Company shall be entitled to immediate payment in full for the Delivery Material. All storage and transport costs incurred by the Company as a result of such refusal or failure shall be payable by the Customer.

8.5 Where the Delivery Material is supplied by the Company to the Customer the Customer shall be deemed irrevocably to have accepted it unless the Customer shall have objected in writing to the Company within 24 hours from receipt of the same. In the event any Delivery Material delivered to the Customer is of unsatisfactory quality and the Company accepts that it is of unsatisfactory quality the Company's sole liability shall be in relation to the replacement of the Delivery Material and the Company shall incur no further liability whatever in relation to any loss suffered by the Customer as a result of the defective or late delivery.

9. Liability exclusion insurance and indemnity.

9.1 The Company shall not be liable to the Customer in contract, tort or otherwise for loss or damage caused by any act, neglect or default of the Customer or a third party. The Customer will maintain a duplicate copy of all audio and audio-visual and other material of any description supplied by the Customer to the Company and the Company will not be responsible for the loss or destruction of any such material other than to replace the medium on which it was provided.

9.2 The Company may at its option make good any shortage or non delivery and/or as appropriate replace or repair any part of the Delivery Material found and acknowledged by the Company to be damaged or defective and repair or replacement of any such Delivery Material shall constitute full and final satisfaction of any claim.

9.3 The Company's aggregate liability to the Customer whether for negligence, breach of contract misrepresentation or otherwise shall in no circumstances exceed the Net Price of the Delivery Materials reasonably accepted by the Company to have been damaged defective or undelivered determined by Net Price invoiced to the Customer provided that this provision shall not affect any liability of the Company for death or personal injury caused by its negligence. 'Net Price' excludes value added tax and other taxes and any other additional charges. The Company's prices are determined on the basis of the limit of liability set out in this condition.

9.4 In the event the Customer decides for whatever reason that the amounts insured by the Company are insufficient to meet the maximum possible loss contemplated by the Customer the Customer undertakes to effect such further insurance as may be necessary to protect the Customer.

9.5 The Customer warrants and undertakes that the aggregate amounts of the insurance cover effected by the Company together with any additional amounts of the insurance cover effected by the Customer shall be sufficient to cover any and all liability of the Company towards the Customer. Any such liability is subject to any exceptions provided under such policy of insurance. The Customer shall notify all insurers within the time limit specified in the policy and shall not do or omit to do anything, which might lead such insurers to disclaim any policy

10. Miscellaneous

10.1 The Customer undertakes to indemnify the Company and keep it fully and effectively indemnified from and against any and all costs, claims, fees, expenses, awards demands or damages it may suffer or incur.

(a) As a result of the death injury damage or loss suffered by any third party or any employee of the company or those engaged by it or connected or associated with it as a direct or indirect result of any act or omission by the Customer whether negligent or accidental when acting alone or when carrying out the direction request or instruction of the Customer.

(b) As a result of any breach by the Customer of any of the provisions of this Agreement with the Company or any failure or delay in connection with this Agreement.

(c) As a result of any loss suffered by the Customer in excess of the amount of the insurance cover provided by the Company including expressly but not limited to loss of profits, loss of goodwill, damage to reputation and all remote and indirect loss or damage whatever.

10.2 If any term or provision or any part of a term or provision in these Terms and Conditions shall be held to be illegal or unenforceable under an enactment or rule of law such term or provision or part of it shall to that extent be deemed not to form part of these Terms and Conditions then the enforceability of the remainder of the terms and conditions shall not be affected.

10.3 The Company shall not be liable to the Customer in contract, tort or otherwise for any loss or damage which may be suffered by the Customer as a direct or indirect result of the supply of Services or Delivery Material by the Company being prevented prohibited hindered or delayed by reason of circumstances or events beyond the Company's reasonable control. In such circumstances the Company shall have the option either to terminate this Agreement or the unfulfilled part of it or to extend the time for delivery to a reasonable time after the relevant circumstances cease to apply.

10.4 The Company may delay or permit the passage of time before taking steps to enforce provisions of these terms and conditions without prejudicing or waiving its rights.

10.5 Any notices required to be served by the Company on the Customer shall be deemed to be properly served if delivered in person or sent by first class prepaid post or recorded mail to the addresses specified for the Company and/or the Customer as appropriate on the Purchase Order.

10.6 The Company shall be entitled to assign its rights and/or obligations under this Agreement. This Agreement is personal to the Customer and may not be assigned or charged by it.

10.7 The construction validity and performance of these terms and conditions shall be governed and construed in accordance with the law of England and Wales whose courts shall be courts of competent jurisdiction.