

PREMIER ENGLISH MANUFACTURING LTD
‘PREMco’
(“the Company”)

CONDITIONS OF SALE

IN THESE CONDITIONS:

"Buyer" means the person, firm or company with whom or with which the Company contracts;

"Contract" means the contract made or to be made between the company and the buyer subject to these conditions;

"Products" means all or any of the goods which the company is to sell in accordance to the contract;

"Insolvency Event" means any one or more of a notice being issued to propose a resolution for winding up or dissolution or such a resolution being passed; a petition for winding up or an administration or bankruptcy order being presented, or such an order being made; any steps being taken with a view to a voluntary arrangement or other assignment, composition or arrangement with all or any creditors or any moratorium readjustment, rescheduling, forgiveness or deferral of all or any indebtedness; suspension of payments to all creditors and/or ceasing business; an encumbrancer taking possession of all or any assets of a party; an administrator or receiver being appointed over a party or all or any of its assets; any action anywhere similar or analogous to any of the foregoing; the other party having reasonable grounds for believing that any of the foregoing is imminent. For the avoidance of doubt if any of the foregoing occur in relation to a partner in any of the parties hereto it shall be deemed to occur in relation to that party.

BASIS OF CONTRACT

Any quotation submitted by the Company amounts to an invitation to treat and not an offer and such quotation shall remain open for 30 days from its date unless otherwise specified by the Company.

The placing by the Buyer of any order, written or oral, whether or not any quotation may have been submitted shall constitute an offer by the Buyer.

The Contract shall not be taken to have come into existence unless and until a director or secretary of the Company shall have accepted the Customer's order in writing on the Company's behalf.

Acceptance by the Company shall be deemed to include acceptance of these conditions, which shall form the conditions of the Contract and shall apply to the exclusion of any terms or conditions put forward by or on behalf of the Customer.

No addition or variation of these Conditions of Sale and no oral stipulation or representation shall be binding on the Company unless expressly agreed to in writing and signed by a Director or the Secretary of the Company on its behalf.

PRICES

The prices for products quoted by the Company are not firm, and the Company reserves the right to increase or decrease such prices without notice, except where the Company has expressly stated in writing that a price is firm and during what period the price will be held firm.

Prices are based on cost of materials, labour and overheads at the time of concept. Therefore, these prices are only indicative at the time of quoting. Once formulation, packaging and stability tests have been agreed. A firm quote will be sent for approval to the 'Buyer'. When a signed agreement has been received, ingredients for the Product will be ordered and then a delivery date agreed.

No allowance is made in quotations for additional work which may be required by the Buyer and of which the Company is not aware at the time of quotation. Samples called for before proceeding with an eventual order will

be at extra cost unless otherwise agreed in writing by the Company.

PRICES (cont'd)

When stock is offered subject to being sold and is disposed of prior to receipt and acceptance of an order, or where it is made clear on the quotation that delivery time is dependent upon supplies or materials not actually in stock at the time of quotation, the delivery time is offered subject to such sources of supply as are at the Company's disposal being able to maintain their supplies.

Value Added Tax is chargeable at the appropriate rate prevailing at the relevant tax point over and above all prices and/or amounts quoted unless otherwise stated and agreed in writing. The costs of Products despatched by passenger train, air-freight or other special transport in accordance with the Buyer's instructions will be charged to the Buyer's account.

PAYMENT

The Buyer shall make payment in full within thirty days of the end of the month in which the Company's invoice was raised notwithstanding that the delivery may not have taken place and the property in the Products may not have passed to the Buyer.

Interest at the yearly rate of 4% over the base rate for the time being and from time to time of the HSBC Bank Plc will be charged on a daily basis on all monies outstanding after the due date until the actual date of payment (as well after judgment as before), and any discount referred to in the quotation, correspondence and/or elsewhere will not be allowed to the Buyer.

DELIVERY

Minimum order quantities are applicable to a number of items in the Company's product range. The Company reserves the right to withdraw or alter the specification of any article that is produced by the Company.

Any time or day quoted by the Company for delivery of all or any of the Products is an estimate only. Time of delivery shall not be of the essence, the Company shall not be liable for any failure to meet any such estimate nor for any loss, whether financial or otherwise resulting directly or indirectly therefrom.

Delivery of the Products shall be made by the Buyer collecting the Products at the Company's premises when the Company notifies the Buyer that the Products are ready for collection or, when the carrier collects the Products or if some other place for delivery is agreed by the Company, by the Company delivering the Products to that place.

Notification of short delivery (measured by weight or number) or damage in transit must be made in writing to the Company and to the carrier within 3 days of the receipt of the Products followed by a completed claim in writing within 14 days of delivery of the Products.

Notification of non-delivery must be made in writing to the Company and to the carrier within 14 days after the date of the Company's invoice.

The Company shall (subject to condition 5.3.4) make good at its option by reimbursement of the whole or part of the price (and where relevant, as a deduction from any part of the price remaining unpaid) or by repair or replacement any such non-delivery, short delivery or damage notified as aforesaid and apart from such reimbursement or repair or replacement and in the absence of notification as aforesaid the Company shall not be liable for any such non-delivery short delivery or damage in transit nor for any loss, financial or otherwise resulting directly or indirectly therefrom.

The Company shall be under no liability to the Buyer in connection with any damage or loss in transit where delivery takes place at the Company's premises.

Programme Deliveries - Monthly call offs against programme may be increased or suspended subject to the Buyer advising the Company of revised requirements in writing by the 25th of the month preceding call off.

DELIVERY (cont'd)

In respect of certain Products made by the Company, the Company cannot guarantee exact quantities and deliveries are subject to tolerances up to plus or minus 10% or such other tolerances as are customary in the printing trade.

If the Buyer fails to take delivery of or collect the Products or fails to give the Company adequate delivery instructions at the time notified by the Company then the Company may (without prejudice to its other rights and remedies):

- store the Products (on its own or any third party's premises) and charge the Buyer for its reasonable costs (including without limitation VAT costs of storage, carriage and insurance); and/or
- sell the Products at any time (including without limitation immediately upon failure to take delivery or collect or give instructions or after a period of storage) and after deducting all costs and expenses (including without limitation those referred to at clause 5.6.1) account to the Buyer for the excess over the price under the Contract or charge the Buyer for any shortfall below the price under the Contract and such costs and expenses.

DIVISIBILITY CLAUSE

This Contract is Divisible. Each delivery made hereunder shall be deemed to arise from a separate contract shall be invoiced separately; any invoice for a delivery shall be payable in full in accordance with terms of payment provided for herein, without reference to and notwithstanding any defect of default in delivery of any other installment.

WARRANTY

If one of the Products is shown to the satisfaction of the Company to be defective in design, manufacture, labelling or packaging by the Company, and if such Product is returned to the Company without cost to the Company and at the Buyer's risk within 100 days of despatch thereof, the Company will either (a) replace such Product, or (b) repair the Product or (c) refund its purchase price, at the Company's sole option. The rights conferred on the Buyer by this Condition shall be the only liability imposed on the Company in respect of any defects affecting any Product of the Company. No claim can be accepted by the Company when the Products have been cut, or processed by the Buyer or for fair wear and tear, wilful damage, misuse, negligence or nuisance. For the purpose of this Condition, Products shall not under any circumstances be returned to the Company unless the Company has approved in writing the return of such Products before despatch by the Buyer. This warranty does not extend to parts, materials or equipment not manufactured by the Company in respect of which the Buyer shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacturer to the Company and can be transferred.

Provided that nothing in this Condition shall operate so as to exclude the Company's non-excludable liability in respect of death or personal injury caused by the negligence of the Company its servants or agents; to affect the statutory rights of the Buyer where the Goods are sold to a Buyer dealing as a consumer within the meaning of the Unfair Contract Terms Act; or to exclude the application of Section 12 of the Sale of Goods Act 1979; to exclude liability for fraudulent misrepresentation.

The Company shall not be liable to the Buyer in contract tort (including without limitation negligence) and/or breach of statutory duty for any loss or damage which the Buyer may suffer by reason of any act, omission, neglect or default (including negligence) in the performance of the Contract by the Company its servants or agents, in a sum which is greater than the Contract price.

The Company shall not be liable to the Buyer in contract tort (including without limitation negligence) and/or breach of statutory duty for any loss of profits and/or loss of production or any indirect or consequential (including economic) loss of any kind which the Buyer may suffer by reason of any act, omission, neglect or default (including negligence) in the performance of the Contract by the Company, its servants or agents .

WARRANTY (cont'd)

If any claim is made against the Buyer that the Goods infringe or that their use or resale infringes the patent, copyright, database right, design right, registered design, trade mark or other industrial or intellectual property rights of any other person or any claim is made in respect of passing off or unauthorised use of confidential information in relation to the Goods and/or their use or resale the Buyer shall forthwith notify the Company in writing and the Company shall be given full control of any proceedings or negotiations in connection with any such claim.

The Buyer shall give the Company all reasonable assistance for the purposes of any such proceedings or negotiations and except pursuant to a final award, the Buyer shall not pay or accept any such claim or compromise any such proceedings without the consent of the Company (which shall not be unreasonably withheld).

The Buyer shall do nothing which would or might vitiate any policy of insurance or insurance cover which the Company may have in relation to such infringement.

If the Goods are to be manufactured or any process or marking is to be applied to the Goods by the Company in accordance with a specification or request submitted by the Buyer, the Buyer shall (without prejudice to the other rights and remedies of the Company) indemnify the Company in full against all loss, costs, damages, charges, expenses and other liabilities awarded against or incurred by the Company as a result of or in connection with any claim for infringement of any patent, copyright, design, trade mark or other industrial or intellectual property rights of any other person and/or for passing off and/or unauthorised use of confidential information which results from the Company's use of the Buyer's specifications together with any other liability of any kind to any third party including without limitation for defective Products, personal injury or death to the extent that it arises from the specification.

These Conditions of Sale shall apply (mutatis mutandis) to any Products supplied by the Company by way of replacement.

TERMINATION AND SUSPENSION

Without prejudice to any rights and remedies available to it, the Company shall be entitled, forthwith on written notice to the Buyer either to terminate wholly or in part the Contract and/or any other contract with the Buyer or to withhold performance of all or any of its obligations under the Contract and/or any other contract with the Buyer (and on the giving of such notice all monies outstanding from the Buyer to the Company shall become immediately due and payable) if:

- any sum owing to the Company from the Buyer on any account whatsoever shall be unpaid after the due date for payment (in which event the Company shall have a general lien for any such sum on all and any property of the Buyer in its possession);
- the Buyer shall refuse to take delivery of or collect any of the Products;
- an Insolvency Event shall occur in respect of the Buyer;
- the Buyer shall commit any breach of any contract (including without limitation the Contract) with the Company;
- the Buyer shall refuse to provide any security for credit as hereinafter provided;
- if in its absolute discretion the Company considers the Buyer's credit status to be unsatisfactory.

The Company shall be entitled to exercise its right of termination or suspension hereunder at any time during which the event or default giving rise thereto shall not have ceased or been remedied, and, in the event of any such

suspension, the Company shall be entitled to require, as a condition of resuming performance under the Contract, pre-payment of, or such security as it may stipulate for, the payment of any sum or sums due or to become due to it and/or to terminate as a result of the same event giving rise to the suspension. Any termination of the Contract (howsoever occasioned) or of any other contract pursuant to this clause shall not affect the coming into force or the continuance in force of any provision hereof or of such other contract which is expressly or by implication intended to come into or continue in force or after such termination.

RISK AND TITLE

Risk in the Products shall pass to the Buyer immediately on delivery to the Buyer or to the carrier or into custody on the Buyer's behalf whichever is the sooner.

Notwithstanding delivery, property in and title to the Products shall remain in the Company (which reserves the right to dispose of them) until the Company has received payment of the full price in cleared funds of (a) all Products the subject of the Contract and (b) all other goods supplied by the Company to the Buyer under any other contract whatsoever.

Subject as herein provided, the Buyer shall nevertheless be entitled to deal with the Products in the ordinary course of business provided that:

- The Buyer shall not purport to dispose of property in and title to the Products until delivery to its own customer;
- If the Products are altered or any goods become attached to the Products or if any part of the Products is replaced such alteration, attachment or replacement shall not affect the Company's property in and title to the Products.
- Until property in and title to the products passes to the Buyer:
- the Buyer shall hold the Products as bailee for the Company and shall keep the Products in such a way that they are readily identifiable as the property of the Company and shall keep the same properly stored, protected and insured and (unless and until dealt with by the Buyer under clause 8.3) separate from all or any other goods whether belonging to the Company the Buyer or any third party; and
- the Company shall be entitled at any time to revoke the Buyer's power to deal with the Products; and
- the Buyer's power to deal with the Products shall automatically cease if the Buyer shall commit or be subject to any Insolvency Event; and
- the Buyer shall not make any modification to the Products or their packaging or alter remove or tamper with any marks, numbers or other means of identification used on or in relation to the Products;
- Upon determination of the Buyer's power to deal with the Products, the Buyer shall place the Products at the disposal of the Company and the Company and its servants and agents are hereby irrevocably authorised without the need for consent of any third party using only such force as may be necessary, to enter upon any premises of the Buyer for the purpose of removing the Products.
- If any of the foregoing provisions of this Condition shall be invalid or unenforceable such invalidity or unenforceability shall not affect the remaining provisions.

EXPORT TERMS

- Any term or expression which is defined in the provisions of Incoterms 2000 (or any subsequent revision thereof) shall import the respective obligations of Buyer and Seller into these Conditions, but in the event of conflict these Conditions shall prevail.
- Where the Goods are supplied for export from the United Kingdom, the provisions of this clause 9 shall

(subject to any special terms agreed in writing between the Company and the Buyer) apply notwithstanding any other provision of these Conditions.

- Unless otherwise agreed in writing between the Company and the Buyer, the Goods shall be delivered FOB or CFR and the Company shall be under no obligation to give notice under section 32(3) of the Sale of Goods Act 1979.

EXPORT TERMS (cont')

- The Buyer shall be responsible for arranging for inspection of the Goods at the Company's premises before shipment. The Company shall have no liability for any claim in respect of any defect of the Goods which would be apparent on testing or inspection and which is made after shipment, or in respect of any damage during transit.
- Payment of all amounts due to the Company shall be made by irrevocable letter of credit opened by the Buyer in favour of the Company and confirmed by a bank in England acceptable to the Company or, if the Company has agreed in writing on or before acceptance of the Buyer's order to waive this requirement, by acceptance by the Buyer and delivery to the Company of a bill of exchange drawn on the Buyer payable upon sight to the order of the Company at such branch of Bank of Scotland plc in England as may be specified in the bill of exchange.

GENERAL

The Company shall have no liability whatsoever for any failure to perform, or for any delay in the performance of, any of its obligations under the contract arising wholly or in part by reason of any factor beyond its reasonable control, including without limitation shortage of raw materials, components or services, act of God, war, national emergency, laws or regulations of any territory, industrial dispute, civil commotion, fire, tempest and/or flood.

No failure or delay on the part of the Company to exercise any of its rights under the Contract shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof. Any waiver by the Company of any breach by the Buyer of any of its obligations under the Contract shall not affect the rights of the Company in the event of any further or additional breach or breaches.

All descriptive and technical specifications, drawings, catalogues, illustrations and particulars of weight and dimensions supplied by the Company are approximately only and the Company reserves the right without notice to the Buyer to make alterations thereto and to supply the Goods so altered in performance of the Contract.

The Contract is personal to the Buyer, who shall not assign or in any way part with the benefit thereof without the Company's prior written consent.

Each and every obligation contained in these conditions shall be treated as a separate obligation and shall be severally enforceable as such notwithstanding the non-enforceability of any other such obligation.

The conditions and the Contract shall not create or evidence, or be deemed to create or evidence, any agency or partnership between the Company on the one hand and the Buyer or any third party on the other.

Visitors may not enter the factory floor area without prior consent of the Managing Director. Should this be given, no cameras or mobile phones are allowed.

Any liability of the Company under the Contract shall be subject to and conditional upon the due performance and observance by the Buyer of all its obligations under these conditions, and subject, to these conditions, the Buyer shall not be entitled to withhold or delay payment or exercise any right of set-off whatsoever and howsoever arising or arisen which might otherwise be available to it.

The contract shall be governed and construed in accordance with English law. The parties shall submit to the exclusive jurisdiction of the English Courts save in the case of a Buyer who has no assets within the jurisdiction

of the English Courts and who is established in a country which will not enforce the judgment of the English Courts. In those circumstances any disputes arising out of the Contract will be referred to arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce, such arbitration to take place in London and the language of the arbitration shall be English.

For the avoidance of doubt nothing in these Conditions shall confer on any third party any benefit or the right to enforce any provision of these Conditions.

These Terms and Conditions supersede any Terms and Conditions from any Buyer.