

KL COMMUNICATIONS TERMS AND CONDITIONS AND GENERAL WORKING AGREEMENT

The Studio, 9 Monro Gardens, Harrow HA3 6HH United Kingdom
Tel: 07521 000 968

This document defines the terms and conditions of our working relationship. Placement of an order with KL COMMUNICATIONS either verbally or written is taken as implicit acceptance by the Client of the following terms and conditions. No other terms and conditions may be taken to apply to transactions with KL COMMUNICATIONS unless explicitly agreed to in writing by us.

WORKING/INVOICING PHASES

Based on our experience with design communications projects, we have found that it is mutually advantageous to handle each project in logical working/invoicing phases.

Small-scale projects are generally handled as a single phase period for working/invoicing.

However, for larger projects concept revisions, extensive alterations, or a switch in marketing objectives sometimes makes it impossible to accurately estimate in advance the total cost of a project. Planning the work, cost estimating, and invoicing in several phases permits KL COMMUNICATIONS or the Client to adjust for such revisions/or halt work before completion if a project is postponed or cancelled. Any postponed or cancelled projects will be invoiced only through phases and/or portions of phases that were actually completed by KL COMMUNICATIONS.

For each project, or phase, the Client will receive a proposal/estimate from KL COMMUNICATIONS outlining the project specifications and pricing including our proposed scope of professional services and supply and details of working/invoicing phases.

We will commence working on a project following approval of our written estimate by the Client. The Client's approval to proceed (written or oral) with a project will constitute a contract agreement between us under the terms stated in this document.

ESTIMATES

Estimates provided by KL COMMUNICATIONS are valid for a period of thirty (30) days from date on estimate. However, where exceptional circumstances arise beyond the control of KL COMMUNICATIONS, such as unexpected sudden substantial industry price rises or unavailability of a service normally engaged through a specific outwork supplier, our estimate will, unfortunately, become invalid.

Estimates are based on a reasonable time schedule utilising our normal working hours of 9am to 5.30pm United Kingdom time Monday through Friday. An estimate may need to be revised to take into consideration any "Priority Scheduling" requests that are likely to require overtime and weekend working. Forward knowledge of the Client's deadlines is essential to help us provide an accurate estimate. In addition, the Client should be aware that outwork suppliers can charge as much as 100% or more above their normal rates for urgent work.

PAYMENT

The Client agrees to make payment in full to KL COMMUNICATIONS in accordance with the terms specified in this document including any additional qualifications stated in the project proposal or estimate that maybe submitted to the Client.

For cash account Clients that have not submitted a credit application and been approved by our credit control department, the Client is required to pay a minimum deposit of 50% of the project's total cost inclusive of taxes before work can commence. Unless otherwise specified, all subsequent balances due are payable in full upon completion of work before delivery can take place. This is non negotiable and is

also exclusive of any legal costs recoverable by KL COMMUNICATIONS should action be required to recover the outstanding debt.

For accounts where a credit facility has been agreed by KL COMMUNICATIONS payment terms are strictly thirty (30) days from date on invoice. Where a Client fails to make payment within or on 30 days from date of invoice KL COMMUNICATIONS, in line with current United Kingdom Government legislation, will add a percentage figure to the amount outstanding equal to eight percent (8%) above the current Bank of England Base Rate percentage at that time compounded each and every subsequent calendar month until such time as the account is settled in full. This is non negotiable and is also exclusive of any legal costs recoverable by KL COMMUNICATIONS should action be required to recover the outstanding debt.

VALUE ADDED TAX

KL COMMUNICATIONS shall be entitled to charge the amount of any V.A.T. payable whether or not included in the estimate or invoice.

REVISIONS/ALTERATIONS/PROOFS

Any new or additional work requested by the Client after a proposal/estimate has been approved and work on a project has commenced is considered a revision or alteration by the Client and is referred to as 'author's corrections'.

Additional charges for author's corrections to copy or design requested by the Client at any stage in the project after work has commenced will be added to the final invoice total at our standard hourly rates for the type of work involved.

If the Client requests revisions or alterations to the project work to an extent that differs substantially from the specification described in our original estimate, we will advise the Client of project cancellation, and a revised estimate will be provided by KL COMMUNICATIONS for a new project before further work proceeds. Any work produced prior to the initial project's cancellation remains a chargeable item. The Client will be invoiced for the period worked at our standard hourly rates for the type of work involved plus the cost of any materials or products purchased or other services engaged including their cancellation fees as may become payable by KL COMMUNICATIONS.

Should work be suspended/postponed at the request of or delayed through any default of the Client for a period of twenty eight (28) days KL COMMUNICATIONS shall then be entitled to payment for work already carried out and the Client will be invoiced for the period worked at our standard hourly rates for the type of work involved plus the cost of any materials or products purchased or other services engaged including their cancellation fees as may become payable by KL COMMUNICATIONS.

Proofing. KL COMMUNICATIONS will provide either hard copy or soft proofs to the Client at relevant stages of the project. It is the Client's responsibility to check hard copy or soft proofs carefully for accuracy in all respects, ranging from spelling, graphics through to functionality. KL COMMUNICATIONS is not liable for any errors or omissions. Where additional proofs are supplied solely as a result of author's corrections, these additional proofs are chargeable items and will be added to the final invoice total.

When final approval by the Client is given to release the completed design/artwork/photographic/multimedia part of the project for implementation as a printed work, web site or other final media option, an official signature of the Client is required on our Notification of Final Approval of Project form prior to its release for said purpose.

NATURE AND LEGAL STATUS OF COPY AND CREATIVE CONTENT

The Client agrees to exercise due diligence in its direction to us regarding preparation of materials and must be able to substantiate all claims and representations. The Client is responsible for all trademark, service mark, copyright and patent infringement clearances. The Client is also responsible for arranging, prior to publication, any necessary legal clearance of materials we prepare.

KL COMMUNICATIONS shall be indemnified by the Client in respect of any claims, costs and expenses arising out of any libellous matter produced for the client or an infringement of copyright, patent or design.

KL COMMUNICATIONS reserves the right to refuse to work on or with material that in our opinion is of a particularly salacious, racist or otherwise obnoxious nature. Clients requesting that KL COMMUNICATIONS work on their project with such material will immediately invalidate our contract with them we will cancel the project. Furthermore, all work undertaken and any costs incurred up to that point by KL COMMUNICATIONS will be invoiced to the Client in accordance with our general payment terms stated elsewhere in this document.

CUSTOMERS PROPERTY

Client's property and all property supplied to KL COMMUNICATIONS by or on behalf of the client will be held, worked on, and carried at client's risk.

TELECOMMUNICATIONS AND COMPUTER SYSTEMS

The Client shall pay for all data transmissions charges. KL COMMUNICATIONS is not responsible for any errors, omissions, delays or extra costs resulting from faults in the telephone, cable, satellite network or any other service provider systems or from faults in the clients own system or from incompatibility between any sending and receiving equipment.

OVER RUNS AND UNDER RUNS

For projects culminating in the supply of quantities of items such as printed or recorded media, the Client will accept over runs or under runs that do not exceed 10% of the quantity ordered on all jobs. KL COMMUNICATIONS will bill for actual quantity delivered within this tolerance. If the Client requires a guaranteed quantity, the percentage of tolerance must be stated at the time of quotation.

PLACEMENT OF ADVERTISING

At the Client's request, KL COMMUNICATIONS will purchase media space on their behalf through our media resource. The Client will be invoiced at current rates plus the standard agency commission.

MIXED SUPPLY CHAIN

If the Client elects to use their own preferred vendor(s) for part(s) of a project, we will be happy to work with their chosen supplier. However, KL COMMUNICATIONS can not then in any way be held responsible for eventual quality, price, performance or delivery of final product or service where we do not have complete control of the supply chain.

RIGHTS OF OWNERSHIP

Once a project has been delivered by us and is fully paid for by the Client, KL COMMUNICATIONS will assign the reproduction rights of the design solely for the use(s) described in our written proposal/ estimate.

Under international copyright law, the rights to all design, art work, photography, illustration and creative text either created in-house by KL COMMUNICATIONS or by any independent photographers or illustrators retained by KL COMMUNICATIONS, or purchased from a stock agency on the Client's behalf, remain with KL COMMUNICATIONS or the independent designer, artist, photographer, illustrator or copywriter. Unless a purchase of "All Rights" (A Buyout) is negotiated with KL COMMUNICATIONS and/or the independent designer, artist, photographer, illustrator or copywriter's authorised representative, you may not use or reproduce the design or the images or text therein for a purpose other than the one(s) originally stipulated. If you wish to use the design we have created and/or the images or text within it for another purpose or project, including a reprint or exhibition, you must contact us to arrange the transfer of rights and to pay any additional fees before proceeding. If printing or other implementation is done through your vendors, you agree to return to us all our original mechanicals and artwork including slides, prints, drawings, separations, etc. within two weeks of project or phase completion, and to provide us with at least three (3) finished printed samples of each project.

We reserve the right to photograph and/or distribute or publish for our own business promotional and marketing needs any work we create for you, including mock-ups and comprehensive presentations, as samples for our own business portfolio, news letter, brochures, web site, sound and/or visual presentations or other media.

We agree to store mechanical boards and computer generated artworks for a period of six (6) months beyond the delivery date of a project. Thereupon, we reserve the right to discard them without notice.

TERM AND TERMINATION

The term of this agreement will continue for work in progress until terminated by either of us upon thirty (30) days written notice. If you should direct us at any time to cancel, terminate or "put on hold" any previously authorised purchase, we will promptly do so, provided you hold us harmless for any cost incurred as a result.

Upon termination of this agreement, KL COMMUNICATIONS will transfer to the Client all your property and materials in our control and for which you have paid. The Client will indemnify and hold KL COMMUNICATIONS harmless for any loss or expense (including attorney 's fees), and agree to defend KL COMMUNICATIONS in any actual suit, claim or action arising in any way from our working relationship. This includes, but is not limited to assertions made against the Client and any of its products and services arising from the publication of materials that we prepare and you approve before publication.

PRODUCTION SCHEDULES

Production schedules will be established and adhered to by both the Client and KL COMMUNICATIONS, provided that neither shall incur any liability, penalty or additional cost due to delays caused by a state of war, riot, civil disorder, fire, flood, drought, labour dispute or strike, accidents, energy failure, equipment breakdown, delays in shipment by suppliers or carriers, action of government or civil authority, and acts of God or other causes beyond the control of the Client or KL COMMUNICATIONS.

Where production schedules are not adhered to by the Client or, where the Client makes unreasonable scheduling demands as a result of the Client's own slowness of response to activities for which they are responsible, final delivery date or dates will be extended to compensate.

CLAIMS

Claims arising from damage, delay, or partial loss of goods in transit must be made in writing to KL COMMUNICATIONS so as to reach us within three (3) days of delivery and claims for non-delivery must be made in writing to KL COMMUNICATIONS within twenty eight (28) days of dispatch of the goods. All other claims must be made in writing to KL COMMUNICATIONS within seven (7) days of delivery.

LAW

These conditions and all other express terms of the contract shall be governed and construed in accordance with the Law of England. This agreement is our entire understanding and may not be modified in any respect except in an executed agreement.

If we must retain legal services to collect money owed to us, KL COMMUNICATIONS will also be entitled to make financial claim against the Client for reasonable legal professional's fees, court costs, trade collection agency fees plus any interest at the maximum rate permitted by law.

All materials or property belonging to the Client, as well as work performed, may be retained as security until all just claims against the Client are satisfied.

Dated this day 1st January 2008