

TERMS AND CONDITIONS

1. Scope

1.1 In these terms and conditions ("Terms"), "Client" means the person, firm or company to whom any work or process and/or the supply of materials are being provided ("Services"); **i lab** means **i lab UK Ltd.**,

1.2 These Terms apply to every contract for the provision of Services by **i lab** to the Client to the exclusion of any other terms and conditions proposed or referred to by the Client (unless specifically agreed in writing by **i lab**) and the supply of Services by **i lab** shall not constitute acceptance of any other terms and conditions.

1.3 These Terms constitute the entire agreement between **i lab** and the Client and shall apply to the exclusion of any non-fraudulent representation, whether express or implied, written or oral made by or on behalf of **i lab**.

1.4 In these Terms, unless notified to the contrary in writing, **i lab** shall be entitled to rely on instructions given to **i lab** by any third party (including without limitation any advertising agency) purportedly on the Client's behalf.

2. Orders, Cancellation and Quotations

2.1 All orders shall be placed using the Client's authorised Purchase Order and no order will be binding on **i lab** unless or until such order has been accepted by **i lab** in writing, save that verbal orders may be accepted at **i lab's** discretion. Once accepted, an order may not be cancelled other than with **i lab's** written consent and each order placed will create a separate contract which will be automatically governed by these Terms.

2.2 In the event of any cancellation request being received and permitted by **i lab** more than 7 days prior to the date the services are due to commence, **i lab** shall be entitled to payment of 80% of the estimated fees for such service. Any cancellation received and permitted less than 7 days before the date the services are due to commence shall be charged in full.

2.3 Unless expressly stated otherwise, a quotation is valid for 30 days only from the date of the quotation.

3. Price and payment

3.1 Unless **i lab** has given a written quotation, all work will be done at **i lab's** rate card (available on request) current at the date an order is received from Client. Whilst given in good faith, **i lab** shall not be bound by any estimate of price. All prices are subject to value added tax payable by the Client at the appropriate rate.

3.2 Unless **i lab** has agreed in writing, Client shall be required to pay (in Pounds Sterling by Bankers Automatic Clearing Service) 50% of the estimated fees on acceptance of the order and the final balance on delivery or, if earlier, notification that the goods are ready for delivery.

3.3 **i lab** may in its sole discretion agree to grant the Client credit. **i lab** shall be entitled to trade and/or bank references to consider any credit application. Where **i lab** has agreed in writing to a credit arrangement, the Client shall pay all charges in full within 30 days of the date of the invoice.

3.4 If any sum payable by the Client shall not be paid by the due date for payment, **i lab** shall be entitled to:

(a) interest on all outstanding sums at the rate of 3% per annum above the base rate of National Westminster Bank plc from the due date until the date of payment and such interest shall be payable on demand; and

(b) withdraw any applicable discounts and to charge the full amount in accordance with the current rate card.

3.5 Any query alleging a defect in the Services or relating to an invoice must be respectively raised in writing within 7 days of the Client becoming aware of the alleged defect or within 30 days of such invoice.

3.6 **i lab** shall be entitled to retain possession of any materials created by **i lab** in the course of providing the Services ("Materials") until payment has been received in full from the Client.

3.7 Until **i lab** has received payment in cleared funds for the Services:

(a) legal title to all Materials produced in the course of such Services shall remain with **i lab** (notwithstanding delivery or the passing of risk to the Client);

(b) **i lab** shall have a general lien over all materials in its possession belonging to the Client ("Client Materials"); and

(c) the licence granted by **i lab** to the Client pursuant to Clause 5.3 shall not take effect.

3.8 Furthermore, legal title to the Material shall remain with **i lab** until **i lab** has received payment in cleared funds of all charges due for all Services rendered by **i lab** to the Client.

3.9 In the event of any monies remaining outstanding from the Client to **i lab** after the expiry of 14 days after such monies becoming due or if any step is taken by or against the Client pursuant to the Insolvency Act 1986:

(a) **i lab** shall be entitled to exploit or dispose of all Materials and Client Materials in its possession, retain the net proceeds of sale against such outstanding monies, and shall account to the Client for the balance (if any) remaining; and/or

(b) the Client shall forthwith upon demand deliver to **i lab** any Materials, ownership of which remains with **i lab**, and in any event **i lab** shall be entitled to re-possess the same and for such purpose the client grants to **i lab** an irrevocable licence to enter into the premises of the Client, without being liable for any damage caused thereby.

3.10 The Client shall not be entitled to make any deduction from any payment due to **i lab** in respect of any set-off or counterclaim.

4. Completion and Delivery

4.1 In all cases, delivery shall be at **i lab's** premises. Risk shall pass to the Client on delivery.

4.2 At **i lab's** sole discretion, **i lab** may agree (at the Client's sole expense and risk) to pack and dispatch Materials to any address specified by the Client.

4.3 **i lab** shall use all reasonable efforts to deliver in accordance with delivery dates but **i lab** shall not be liable for any loss or damages of any nature caused by any failure of **i lab** to meet any delivery date and time of completion and delivery shall not be of the essence.

5. Intellectual Property

5.1 All copyright and other intellectual property rights of whatever nature resulting from the Services and/or any Materials shall remain vested in and be the exclusive property of **i lab**.

5.2 Subject to **i lab** having received payment in full of all monies due, **i lab** grants the Client an exclusive licence to publish, copy, transmit, broadcast and otherwise use the Materials in an unmodified form (save that **i lab** shall have a right to publish, copy, transmit, broadcast and otherwise use the Materials for the purposes of promoting **i lab**).

5.3 The Client grants to **i lab** a non-exclusive licence to edit, adapt, reproduce, receive, store, transmit or otherwise process or use in any way whatsoever the Client Materials for the purpose of providing the Services and refer to the Client and the title of the relevant Client project in **i lab's** advertising and/or promotions.

5.4 The Client shall ensure that **i lab** is given screen credits in respect of the Services in a form approved in advance by **i lab**.

6. Force Majeure

6.1 **i lab** shall not be under any liability to the Client as a result of **i lab** being unable to perform any of its obligations due to circumstances beyond its reasonable control including without limitation industrial action, act of god, fire, flood, storm, acts of civil or military authorities, war, terrorism, shortages of material or acts, omissions or failures of third parties or the Client. **i lab**

shall at its sole option be entitled to either perform such obligations as and when it is reasonably able to do so or to treat itself as wholly or partly released from all such obligations or instructions without liability.

7. Termination

7.1 Without prejudice to any other right or remedy which it may have, **i lab** shall be entitled to terminate its agreement for the provision of Services with the Client if:

(a) the Client is at any time in material or persistent breach of any of these Terms or any sum owing to **i lab** by the Client is overdue for 21 days or more; or

(b) the Client is unable to pay its debts (within the meaning of section 123 of the Insolvency Act 1986), or has a trustee, receiver or an administrative receiver appointed over it or over any substantial part of its assets or has an order made or passes a resolution for its liquidation, dissolution or winding up (otherwise than for the purpose of a bona fide scheme of solvent amalgamation, takeover or reconstruction) or enters into any voluntary agreement with its creditors or becomes bankrupt or files for voluntary bankruptcy or ceases or threatens to cease to carry on business or any analogous situation to any of the above occurs under the law of any jurisdiction.

(c) the Client Materials are not of the necessary technical standards to enable **i lab** to perform the Services.

7.2 Upon termination for any reason whatsoever:

(a) the Client shall pay to **i lab** all sums owing in respect of Services already performed; and

(b) Clauses 1, 3, 5, 7.2, 8, 9, 10, 12, and 13 shall survive.

8. Warranties and Liability

8.1 **i lab** shall use all reasonable skill and care in performing the Services.

8.2 **i lab** hereby excludes to the fullest extent permitted by law any and all warranties, terms and conditions other than those set out expressly herein (whether express, implied by statute, contract, course of dealing or otherwise) including without limitation any implied warranties as to fitness for purpose or satisfactory quality.

8.3 **i lab** shall not in any circumstance be liable for:

(a) any loss of business, goodwill, reputation, contracts, opportunities or profits (in each case whether arising in the normal course of events or **i lab** knew of the possibility of such loss);

(b) any indirect, consequential or special loss or damage;

(c) or any loss of quality attributable to any process carried out during the performance of the Services.

8.4 The Client's particular attention is drawn to the fact that prices quoted for the work undertaken by **i lab** do not take any account of any special value of any Client Materials passed to, or stored by, **i lab**. Client acknowledges that the cost of insuring Client Materials against all risks to its full value (if such insurance could be obtained) would result in a substantial increase in **i lab's** prices for Services. Client will insure all Client Materials passed to **i lab** against all risks to their full replacement value (including any consequential loss they may suffer as a result of its loss or damage) and **i lab** accepts no liability whatsoever for any loss or damage caused by the default or negligence of its servants, agent or sub-contractors save that **i lab** shall on request refund the current purchase cost of any blank film stock or video tapes damaged or lost in its possession by reason of **i lab** negligence or default.

8.5 Save as set out above, **i lab's** total liability for any and all loss or damage arising out of or in connection with any contract for Services with the Client shall be limited to the total sums paid by the Client to **i lab** under such contract.

8.6 Nothing herein shall be construed as excluding or limiting **i lab's** liability for death or personal injury caused by **i lab** negligence.

8.7 The Client shall indemnify **i lab**, its directors, employees, contractors and agents against any and all liability, costs, expenses, claims and demands of any nature whatsoever, arising out of or in connection with the Client's Materials and any acts or omissions of the Client, its employees or representatives, including without limitation any breach of these Terms.

8.8 The Client warrants that:

(a) where **i lab** uses the Client Materials that it will not give rise to a breach of copyright trademark or any other proprietary interest of any third party; and

(b) the Client has made a security copy or second copy of the Client Materials and any master copy.

9. Storage of Client Materials

9.1 **i lab** shall be entitled to destroy or dispose of any Client Materials not collected from **i lab** within six months after the completion of any Services and, until collected, such Client Materials shall be held by **i lab** at the Client's sole risk and liability.

9.2 **i lab** will only store Client Materials on the written instructions of the Client subject to the Client paying (unless otherwise agreed in writing) monthly in advance storage charges at the rates published from time to time by **i lab** ("Storage Charges") and any Client Materials so stored will be stored at the Client's sole risk and liability.

9.3 If the Client fails to take delivery of the Services and/or Customer Materials within 21 days of notification of completion of the Services, **i lab** will be entitled to charge and the Client obliged to pay Storage Charges.

10. Confidential Information

10.1 The Client shall keep confidential and secure all information relating to **i lab** and the Services (the "Company Information") and shall not disclose such Company Information to any third party (other than its employees or professional advisors who need to know the same) without **i lab's** prior written consent save to the extent that any Company Information is a) in the public domain not through any fault of or disclosure by or on behalf of the Client; or b) required by law to be disclosed.

11. Sub-Contract

i lab reserves the right to sub-contract at its discretion and without notice to the Client.

12. Licence to Occupy

Any occupation of **i lab** premises by the Client will:

(a) not confer exclusive occupation on the Client who shall occupy as licensee only;

(b) not create any relationship of Landlord and Tenant;

(c) be personal to the Client; and

(d) (unless otherwise agreed) be subject to the payment of a licence fee as imposed by **i lab**.

13. General

13.1 Any notice given under these Terms may be served by posting the same by ordinary recorded delivery or registered mail, in an envelope pre-paid and addressed to the recipient at the address of the recipient last known to the sending party. Such notice so posted shall be deemed to be served on the 2nd day after the same was posted.

13.2 No variation, qualification, addition or amendment of these Terms shall be valid unless made in writing and signed by an authorised person on behalf of each party.

13.3 The invalidity of any of these Terms shall not affect the continuing enforceability of the remaining Terms.

13.4 No failure or delay by **i lab** in exercising any of its rights under these Terms shall be deemed to be a waiver of such breach or any subsequent breach of the same or any other term.

13.5 These Terms shall not be taken to constitute a partnership or the relationship of employer and employee.

13.6 Subject to clause 13.7, a person who is not a party to these Terms has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of these Terms but this does not affect any right or remedy of any third party which exists apart from that Act.

13.7 These Terms and each contract between **i lab** and the Client shall be governed by English law and subject to the exclusive jurisdiction of the English courts.