

TERMS AND CONDITIONS FOR CLIENTS OF PROPS STUDIOS LIMITED

1. APPLICATION

1.1 These conditions apply to any agreement between the Client and Props Studios Limited ("Props") for the provision of services and are intended to establish a clear understanding about services, responsibilities and fees in all foreseeable situations.

2. STANDARD SERVICES (Standard Services are divided into four parts):

2.1. *Stage 1 - Concept*

After receiving the Client's brief Props will make a detailed assessment of the Client's requirements, completing such analysis as may be necessary. It shall prepare and submit to the Client a proposed design (see 4.1) outlining materials, general appearance, finish and colour schemes and provide budget of approximate costs and delivery schedules.

2.2. *Stage 2 - Design Development*

Upon receipt of the Client's written approval of the concept/budget referred to in 2.1 Props will further develop the concept into either sketch drawings, presentation visuals or prototypes, as requested by the Client, to ensure the proper interpretation of the Client's intentions.

2.3. *Stage 3 - Manufacture*

Upon receipt of the Client's written instructions Props will manufacture in accordance with the agreed design. Following the decision to manufacture subsequent instructions received from the Client may be subject a variation of the agreement and price.

2.4. *Stage 4 - Delivery*

Finished goods will be packed in one layer of polythene as standard practice and will remain the property and responsibility of the Company until handed over to a courier or delivered to a location specified by the Client. Transport and delivery personnel will be charged for at standard Props rates prevailing at the time of delivery.

3. ADDITIONAL SERVICES

3.1 Where Props offers services in addition to the Standard Services. Props will charge separately for each additional service identified. The services considered to be outside the Standard Service include:

- 3.2 Installation, which will be charged at the rate prevailing for the personnel involved.
- 3.3 Research to augment the Client's brief, including special visits and interviews, assisting with written work and market research.
- 3.4. Measured surveys of structure, spaces or services if sufficient information is not available from existing drawings.
- 3.5 Meetings with any specialists not directly involved in the agreement.
- 3.6 Any special packaging in addition to the standard service (see 2.4)

4. CHARGES

- 4.1 All drawings and designs are subject to charges which will be agreed at the concept stage (see 2.1)
- 4.2 All prototypes are subject to charges which will be agreed at the design development stage (see 2.2)
- 4.3 Daily rates shall be negotiated on a minimum basis of 8 hours working time. Travelling time is charged at the normal hourly rate.
- 4.4 Props reserves the right to require advanced payment for a proportion of the total charges due.

5. OUT OF POCKET EXPENSES

5.1 In addition to all other charges and fees referred to elsewhere in these conditions, Props Client shall reimburse Props for all reasonable out of pocket expenses actually and properly incurred in the

execution of the commission including VAT. Such expenses will include: (a) research materials being any printing, reproduction or purchase of documents, drawings, maps, models, photographs and other records as may be required to successfully undertake the commission; and (b) all hotel and travelling expenses - including mileage allowances for cars at recognised rates and all similar disbursements, including VAT.

6. CONSULTANCY

6.1 Where the Client wishes to engage Props in a general advisory capacity the scope and extent of such consultancy services shall be defined in advance in writing. Prior to the commencement of the consultancy services the parties shall agree in writing the fees payable whether on a daily rate or fixed sum.

6.2 Where the consultancy services are provided on a fixed sum basis and the Client requires substantially increased services during the consultancy period (additional to those already specified), Props shall be entitled to an increased consultancy fee such fee to be agreed before continuation of the consultancy services.

6.3 Where the Client wishes to engage Props on an exclusive basis a retaining fee shall be agreed in writing and shall be payable to Props prior to the commencement of such period of exclusivity.

7. PAYMENT OF CHARGES AND FEES

- 7.1 All charges and fees payable in accordance with these conditions shall be paid by the Client without deduction within [14] days of the date of the relevant invoice.
- 7.2 Props reserves the right to charge interest at 8% above the prevailing Bank of England base rate on overdue accounts in accordance with the provisions of The Late Payment of Commercial Debts (Interest) Act 1998.

8. TERMINATION

- 8.1 Either party may terminate the agreement by notice in writing to the other party: (a) on or within 14 days after the occurrence if the other party (the "Defaulting Party") shall commit any material breach of any of its obligations under these conditions and shall fail to remedy such breach (if capable of remedy) within 14 days after being given written notice by a the other party so to do; or, (b) with immediate effect if the Defaulting Party, being a company shall go into liquidation whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation) or if the Defaulting Party shall have an administrator appointed or if a receiver, administrative receiver or manager shall be appointed over any part of the assets or undertaking of the Defaulting Party. Either party shall be entitled to terminate the agreement by serving not less than [three (3)] months' notice in writing to that effect on the other party.
- 8.2 In the event of termination of any agreement, Props shall be entitled to the full remuneration for the work completed up to the date of termination, either based on the time involved or the percentage of the fees due for the work completed, whichever is the greater. In addition, Props will be entitled to reimbursement for all expenses incurred up to the date of termination.

9. ABANDONED PROJECTS

- 9.1 Where the project is cancelled or postponed on the Clients instructions or Props is instructed to stop work indefinitely at any time, the commission shall be abandoned and fees and expenses for the partial service completed will be due in accordance with 7 above.
- 9.2 If the commission which has been abandoned is resumed without alteration within a period of one month of its former abandonment, any fees paid under

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8 above shall rank solely as payments on account towards the total final fee payable on the completion of the works. Where a commission has been abandoned for a period exceeding 3 months any fees paid under 8 above shall be regarded as final payment for the services originally rendered. The resumed commission shall be deemed separate and new fees will be charged in respect of it.

10. COPYRIGHT

10.1 All intellectual property rights (being the copyright, rights in software, moral rights, database rights, domain names, patents, know how, registered designs, unregistered designs, trade marks and service marks (whether registered or not) and all other intellectual property rights, whether registerable or not, subsisting anywhere in the world) in any work created by or for Props in relation to the agreement shall vest in Props unless it is agreed in writing that such intellectual property rights shall pass to the Client.

11. CONFIDENTIALITY

11.1 Each party acknowledges that it will have access to certain confidential information of the other party concerning the other party's business, plans, customers, technology, and products ("Confidential Information"). Each party shall not use in any way, for its own account or the account of any third party, except with the prior written consent of the disclosing party, nor disclose to any third party (except to those employees, officers and/or agents of the receiving party who are required to have access to the Confidential Information for the purpose of the agreement or as required by law) any of the other party's Confidential Information and shall take reasonable precautions to protect the confidentiality of such information.

11.2 For the purpose of 11.1 above information will not be deemed Confidential Information if such information: (i) is known to the receiving party prior to receipt from the disclosing party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (ii) becomes known (independently of disclosure by the disclosing party) to the receiving party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (iii) becomes publicly known or otherwise ceases to be secret or confidential, except through a breach of these terms and conditions by the receiving party; or (iv) is independently developed by the receiving party.

11.3 The obligations of confidentiality shall continue for a period of [2] years following the termination of the agreement.

12. LIMITATION OF LIABILITY

12.1 Subject to 12.3 Props' entire liability (including liability for acts and omissions of its employees, agents or sub-contractors) in respect of any breach of its contractual obligations and of any representations, statement or act or omission including negligence shall be limited to the contract price.

12.2 The Company shall not be liable for any indirect or consequential loss or damage, loss of profits or goodwill or loss of any kind, other than the direct loss suffered by the Client.

12.3 Notwithstanding 12.1 and 12.2 above Props' liability for death or personal injury resulting from its own negligence or that of its employees or for fraudulent misrepresentation shall be unlimited.

13. MISCELLANEOUS

13.1 Any agreement made between Props and the Client shall be governed by and construed in all respects in accordance with the laws of England and Wales.

13.2 No term of the agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party hereto.

13.3 Any notice to be given by either party shall be in writing and shall be deemed duly served if delivered personally or sent by facsimile transmission or by pre-paid registered post (airmail in the case of an address for service outside the United Kingdom) to the addressee at the address or (as the case may be) the facsimile number of that party as provided at the time the agreement was entered into or to any subsequent address provided in writing by that party.

13.4 No Party shall be liable for any delay in fulfilling or failure to fulfil any of its obligations under these conditions (other than the obligation to make payment) to the extent that such delay or failure results from a cause beyond its reasonable control. All costs and expenses resulting out of such delay or failure shall be borne by the party incurring the same.

13.5 These conditions (together with all agreements and documents executed contemporaneously with or referred to in it) constitute the entire agreement between the parties in or in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter. No variation of the agreement shall be effective unless reduced to writing and signed by or on behalf of a duly authorised representative of each of the parties.

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