

PEPPER CREATIVE LTD. STANDARD CONDITIONS OF CONTRACT

Pepper Creative Limited hereafter known as PCL

COPYRIGHT

The property in copyright of and the right to reproduce from all artwork, graphics, illustration, digital images, photographic transparencies and negatives shall remain with PCL unless some special arrangement in writing shall otherwise be made but so that:

(a) PCL shall not reproduce or cause or suffer to be reproduced any such material as aforesaid within the same trade profession or occupation as the customer.

(b) PCL shall be entitled to use such materials as it shall think fit at its own discretion if payment in full of all sums by the customer shall not have been made. If the customer shall require the use of such material in a field beyond that of its original requirement as specified by the customer or PCL he may only do so with the written consent and upon the terms required by PCL.

COST VARIATION

Estimates are based on the current costs of production and are subject to increase at any time to meet any rise in such costs.

VAT

PCL shall be entitled to charge the amount of any VAT payable whether or not included on the estimate or invoice (if applicable).

PRELIMINARY WORK

Work carried out whether experimentally or otherwise at customers request will be charged (plus VAT if applicable). All preliminary design concepts and visuals, produced speculatively or commissioned, remain the copyright of PCL unless released by written confirmation.

COPY

A charge may be made to cover any additional work involved where copy supplied is not clear and legible.

CONFIDENTIALITY

Every endeavour will be made to respect the confidentiality of the clients work in progress.

PROOFS

Proofs of all work will be submitted for customers approval and PCL shall not incur liability for any errors not corrected by the customer in proofs so submitted. Customers alterations and additional proofs necessitated thereby shall be charged extra. When style and type of layout is left to PCL's judgement, changes therefrom made by the customer will be charged extra.

SUSPENDED WORK

Should work be suspended at the request of or delayed through any default of the customer for a period of 30 days, PCL shall then be entitled to payment for work already carried out, materials specially ordered and other additional costs including storage.

LIABILITY

PCL shall not be liable for indirect loss or third party claims occasioned by delay in completing the work or for any loss to the customer arising from delays incurred by third party providers.

CUSTOMERS PROPERTY

Customers property and all property supplied to PCL by or on behalf of the customers will be held, worked on, and carried at the customers sole risk.

MATERIALS SUPPLIED BY THE CUSTOMER

a) PCL may reject any materials supplied or specified by the customer which appear to be unsuitable. Additional costs incurred if materials are found to be unsuitable during production may be charged.

b) Where materials are so supplied or specified responsibility for defective work will not be accepted by PCL unless this is due to PCL's failure to use reasonable skill and care.

GENERAL LIEN

Without prejudice to other remedies, PCL shall in respect of all unpaid debts due from the customer have a general lien on all goods and property in its possession (whether worked on or not) and shall be entitled on the expiration of 14 days notice to dispose of such goods or property as PCL thinks fit and to apply any proceeds towards any such debts.

FORCE MAJEURE

If PCL shall become unable to make delivery of any goods or perform any services the subject matter of the order through an act of God, outbreak of war, accident, inability to obtain raw materials, telecommunications network or third party host server breakdown, labour dispute of an official or unofficial nature or any other cause whether or not of a like nature to the above but being a cause reasonably beyond PCL's control, PCL shall be

entitled to cancel its obligation to the customer by notice in writing but shall be entitled to payment for any service rendered or goods supplied up to the date of such notice.

LAW

These conditions and all other express terms of contract shall be governed and construed in accordance with the Laws of England.

INTEREST ON OVERDUE FEES

All accounts are strictly payable 28 days from invoice receipt.

A 8% monthly interest fee will be added onto any overdue accounts under the Late Payments of Commercial Debts (Interest) Act 1998 thereafter.

TERMS & CONDITIONS SPECIFIC TO PRINT PROJECTS VARIATIONS IN QUANTITY

Every endeavour will be made to deliver the correct quantity ordered, but estimates are conditional upon margins of 5% for work in 1 colour and 10% for other work being allowed for in overs or shortage, the same being charged or deducted.

DELIVERY AND PAYMENT

(a) Payment of all outstanding sums due is at the time of delivery except where otherwise agreed in writing.

(b) Unless otherwise specified the price quoted is for delivery of the work to the customers address as set out in the estimate. A charge may be made to cover any extra costs involved for delivery to a different address or to destinations outside the UK.

(c) Should expedited delivery be necessary an extra sum may be charged to cover any additional costs involved.

CLAIMS

Advice arising from damage, delay or loss of goods in transit must be made in writing to PCL and the carrier so as to reach him within 3 days of delivery and claims for non-delivery within 14 days of despatch of the goods. All other claims must be made to PCL within 10 days of delivery. PCL will not be liable under any circumstances in respect of any claim which has not been made to him within the stated period.

TERMS & CONDITIONS SPECIFIC TO WEB & MULTI MEDIA PROJECTS

COPYRIGHT

The copyright in all graphics, tables, images and underlying codes of website (including cookies) created by PCL are the ownership of PCL and is hereby asserted. The copyright in all material submitted by visitors ("visitors material") is waived.

DATA PROTECTION AND PRIVACY

The storage and use of information that you supply to PCL will comply with the provisions of the Data Protection Act 1998 and all supporting regulations for the time being in force. Please notify PCL immediately if any of your details alter or are incorrect. This can be done by emailing info@peppercreative.co.uk or writing to Pepper Creative Limited, Mill Court Furlongs Newport Isle of Wight PO30 2AA UK. You have the right to inspect your stored material and to opt out.

DISCLAIMER

All reasonable care is taken in the compilation of a customers website but PCL accepts no liabilities for any inaccuracies or omissions. PCL also, shall not be liable for damages of any kind arising out of access or inability to access that website or the use of, or reliance upon the website or its content, or any links or pointers to information created or maintained by others (access to which should not be considered as an endorsement of the contents thereof).

VIRUS DISCLAIMER

Reasonable steps have been taken to ensure that all web and media distribution by CD Rom or DVD has been protected by anti-virus software but all visitors are advised to take all necessary steps to ensure that no virus contamination occurs. No responsibility can be accepted for any loss or damage sustained as a consequence of any virus transmission.

SUBCONTRACTORS

PCL may from time to time recommend third party ICT solution providers to customers. PCL however cannot be held responsible or liable for damages of any kind arising from their service.

MONITORING

Visitors material and e-mails are monitored. Therefore the internet should be treated as being an insecure means of communication.

COMPLIANCE

PCL and its customers are required to comply with UK legislation relating to websites and ecommerce.

PEPPER CREATIVE LTD. INTERNET HOSTING TERMS

Pepper Creative Limited hereafter known as PCL

DEFINITIONS

In these Terms the following words and phrases shall have the following meanings unless the context otherwise requires:

'CLIENT CONTENT'

means all materials created or supplied by you to PCL;

'COMMENCEMENT DATE'

means the date upon which the Term shall commence as specified in Clause 7 of these Terms;

'COMPUTER VIRUS'

means any programs or data incorporated into software or data that disrupts the proper operation of a computer hardware system or the associated software;

'CONFIDENTIAL INFORMATION'

means all information passing from one party to the other party relating to the business of the disclosing party (whether disclosed before or after the date of these Terms), including but not limited to trade secrets, drawings, know-how, techniques, source

and object code, business and marketing plans and projections, arrangements and agreements with third parties, customer information proprietary to customers, formulae, suppliers, concepts not reduced to material form, designs, plans and models;

'DATA CENTRE'

means the premises from which PCL is to provide the Hosting Services;

'EXPENSES'

means the out of pocket expenses incurred by PCL in acquiring anything reasonably necessary for it to perform the requirements imposed on it by this Agreement;

'EXCUSABLE DOWNTIME'

any period of scheduled maintenance and any period during which any Hosting Services or Website is unavailable as a direct consequence of any breach of these Terms by you, negligence by you or your employees, servants or agents, any defect in the

Website (other than any defect caused by an act or omission of PCL), any incompatibility between platform software and content and any defect in any software provided by you to PCL under the Agreement;

'HOSTING SERVICES'

means those services provided to you as described in Item 1 of the Schedule to this Agreement;

'INTELLECTUAL PROPERTY'

means all intellectual property rights relating to or owned by either party to these Terms anywhere in the world (including present and future intellectual property rights) including without limitation Confidential Information, business names or logos, domain names, copyright, database rights, software programmes and source code and all variations, modifications or enhancements to each of them together with any application or right to apply for registration or protection of those rights;

'MATERIALS'

means all materials owned by a party used in the provision of the Hosting Services, including software programs and source code;

'ONLINE CONDUCT POLICY'

means the policy setting out the terms and conditions on which you agree to utilise PCL's network, systems, products and services

'PERSONNEL'

means any employees, officers, agents or contractors of either party;

'SERVICE FEE'

means the amount specified in Item 2 of the Schedule to be paid by you for the performance by PCL of its obligations under these Terms;

'TERM'

means the period between the Commencement Date and the end date of these Terms as specified in clause 7 of these Terms and;

'WEBSITE'

means your website or sites as hosted by PCL.

"THE PCL HOSTING SERVER"

The PCL hosting server is the server PCL use to provide hosting, email, and database services.

INTERPRETATION

In these Terms, unless the context otherwise requires:

a reference to any documents is a reference to that document as varied, novated or replaced from time to time;

the singular includes the plural and vice versa;

a reference to a gender includes all other genders;

a reference to a person or entity includes a natural person, a partnership, corporation, trust, association, an unincorporated body, authority or other entity; and

a reference to a person includes that person's legal personal representative, successors and permitted assigns.

Headings have been inserted for convenience only and shall not affect the interpretation of these Terms.

3. PROVISION OF THE HOSTING SERVICES

PCL will provide the Hosting Services to you on the terms and conditions of these Terms and as set out in Item 1 of the Schedule.

AVAILABILITY

You acknowledge that PCL's systems, servers, and equipment may from time to time be inoperative or only partly operational as a consequence of mechanical breakdown, maintenance, hardware or software upgrades, telecommunications connectivity problems or other causes outside its control.

In the event of any such interruptions PCL will notify you by email or facsimile as soon as reasonably practicable of any such interruptions to its ability to provide the Hosting Services.

PCL agrees to rectify faults or problems and to restore the system to full operational capacity as reasonably practicable.

5. LIMITATION OF LIABILITY

PCL gives no condition, warranty, or undertaking, and makes no representation to you about the suitability of, or fitness of the Hosting Services for your purposes other than those conditions, warranties, undertakings or representations expressly set out in these Terms.

With the exception of any rights which you may have under applicable law in all warranties, conditions and other terms implied by statute or common law (save for the conditions implied by Section 12 of the Sale of Goods Act 1979) are excluded from these Terms to the fullest extent permitted by law.

Nothing in these Terms excludes or limits the liability of PCL for:

death or personal injury caused by PCL's negligence; or

from fraudulent misrepresentation or fraud.

Subject to sub-clauses 5.2 and 5.3

PCL's total liability in contract, tort, (including negligence or breach of statutory duty), misrepresentation or otherwise, arising in connection with the performance or contemplated performance of these Terms shall be limited to the Service Fees received in relation to the Hosting Services; and

In no event shall PCL be liable to you whether arising under these Terms or in tort (including negligence or breach of statutory duty), misrepresentation or however arising, for any Consequential Loss. 'Consequential Loss' shall for these purposes mean (i) pure economic loss (ii) losses incurred by any customer of yours or other third party (iii) loss of profits (whether categorised as direct or indirect) (iv) losses arising from business interruption (v) loss of business revenue, goodwill, anticipated savings (vi) losses whether or not occurring in the normal course of business, wasted management or staff time (vii) loss or corruption of data.

6. CLIENT CONTENT

PCL will not be responsible for the accuracy and/or functionality of the Client Content in the form in which it is provided by you or as modified upon and in accordance with your instructions for inclusion on the Website.

If PCL reasonably forms the view that the Client Content of any Website may be pornographic, defamatory, misleading or deceptive or otherwise in breach of any third party's rights or in contravention of applicable law, PCL may without prior notice or any liability remove that Client Content from the Website and shall within twenty four (24) hours thereafter notify you of its removal.

You shall indemnify and hold harmless PCL and its affiliates, employees, agents, contractors, directors, officers and third party providers from all liabilities, demands, costs and expenses (including legal expenses) arising in connection with any Client Content including but not limited to the posting and/or transmission of Client Content on the Website.

7. TERM

These Terms will commence on the date you sign up for this service and will subsist until terminated in accordance with our terms.

8. CHARGES AND PAYMENT

The parties agree that unless expressly stated in writing by PCL all fees, charges and payments set out in these Terms or any Schedule to them are exclusive of VAT.

You will pay PCL the Service Fees for the Hosting Services as specified and calculated in Item 2 of the Schedule within fourteen (14) days after the date PCL's invoice is sent.

You shall reimburse PCL for all agreed Expenses reasonably incurred by PCL in performing its obligations under these Terms.

You acknowledge that there may be additional charges or Expenses in relation to additional services required by you beyond those set out in these Terms. Any such additional charges or Expenses will be agreed on in writing in advance between the parties and invoiced separately.

You acknowledge that should we need to restore a website from our back-up files there will be an additional charge.

If you are in arrears in any payment due to PCL under these Terms, you will pay, in addition to the arrears, interest at the rate of two and a half (2.5) per cent per annum on all arrears for each day during with the default continues.

Without limiting any other right or remedy available to PCL, PCL may on giving seven (7) days written notice, and without having to account for or to repay any money previously paid to it pursuant to these Terms, refuse to commence, complete or deliver any work or otherwise comply with the provisions of these Terms on PCL's part to be observed or performed in the event you:

fail to pay any sums due to PCL under these Terms; or otherwise default in the due observance and performance of these Terms.

9. OWNERSHIP

The parties acknowledge that these Terms do not have the effect of transferring the ownership of any Intellectual Property.

Any Intellectual Property owned by either party and required for the performance by the other party of its obligations under these Terms shall be licensed to that other party on a non-exclusive, royalty-free basis for the purpose of fulfilling that party's obligations under these Terms and for the period during which the use of that Intellectual Property by that party pursuant to these Terms is required.

Subject to clause 9.6, you acknowledge and agree that PCL will own all Intellectual Property in connection with PCL's Materials and that all other Intellectual Property in Materials produced or created by PCL will remain permanently with PCL regardless of whether such Material is in its original form or in a form modified for your use.

Subject to you not being in breach of these Terms, PCL grants to you a non-exclusive royalty-free license to use the Materials for the duration of these Terms.

You may not modify PCL's Materials for any purpose without the prior written consent of PCL.

PCL acknowledges and agrees that you will own:

all Intellectual Property in the Client Content of the Website; and

all rights in connection with the Internet domain names attaching to the respective Website.

You will procure for PCL a licence on a non-exclusive, royalty-free basis, to use any existing Intellectual Property owned by a third party and required for the performance by PCL of its obligations under these Terms and for the period during which the use of those rights by PCL pursuant to these Terms is required.

10. MARKETING

10.1 You acknowledge and agree that PCL may use your names, logos, domain names and trademarks set out in Item 3 of the Schedule for the following purposes:

Use on PCL's Website;

Use in PCL's written documentation; and

Data Centre signage to indicate your computers and racks

11. EQUIPMENT AND ACCESS

You must provide, at your own cost, all telecommunications services, computers and other equipment or services necessary to enable you to have access to the Hosting Services. You must comply with all the rules and regulations that apply to the communications means by which you obtain access to the Hosting Services.

12. PERSONNEL AND SUB-CONTRACTORS

PCL may in its absolute discretion sub-contract the performance of any of its obligations under these Terms

13. WARRANTIES

Each party warrants to the other that:

it has authority to enter and to perform its obligations under these Terms; and

it has the ability to perform its obligations under these Terms.

PCL warrants to you that the Hosting Services: will be provided by the appropriately qualified and experienced Personnel using all reasonable care and skill

will in all material respects substantially comply with the Schedule; and

will not knowingly infringe the Intellectual Property rights of any third party.

You warrant to PCL that:

the use by PCL of any works or Materials submitted by you to PCL under these Terms will not infringe the rights of any person or contravene any law;

at the time of entering into these Terms you are not relying on any representation made by PCL which has not been expressly set out in these Terms;

you shall install and maintain Computer Virus protection software of not less than industry standard, and take all other reasonable steps to ensure that any software used in connection with the Hosting Services, and any material or data provided to PCL will be free from any Computer Virus and will not damage or corrupt any other data or system; and

that you are solely responsible for communicating with persons who access your websites or other sites and that you will not divert any of your own client complaints or concerns to PCL.

that you will notify PCL should you be expecting a high amount of traffic on your website at any time. This may result in an upgrade to our premium rate hosting package to avoid extra costs for high bandwidth usage in the future.

13.4 PCL shall not be liable for defects resulting from improper use of Hosting Services by you or by another third party.

14. INDEMNITY

Each party ('the first party') indemnifies and undertakes to keep indemnified the other party, its officers, employees, contractors and agents ('the second party') against any costs or expenses (including the cost of any settlement) arising out of any claim, action, proceeding or demand that may be brought, made or prosecuted against the second party any person arising out of or as a consequence of an unlawful or negligent act or omission of the first party, its officers, employees or agents in any way connected with these Terms whether arising from any failure by the first party to comply with the terms of these Terms or otherwise.

The indemnity extends to and includes all costs, damages and expenses reasonably and properly incurred by the second party in defending any such action, proceeding claim or demands.

15. TITLE

15.1 You agree that any works, Items, materials or information of whatever nature produced or developed by PCL or under PCL's direction pursuant to or in the course of providing the Hosting Services shall remain the sole and complete property of PCL, whether such property is tangible or is in that nature of Intellectual Property (including copyright and rights of Confidential Information).

15.2 If you have fully complied with these Terms and if the works Items, materials or information referred to in clause 15.1 have been produced by PCL as part of the Hosting Services, PCL grants you a non-exclusive and non-transferable licence to use such works, Items, materials and information for such purposes as are necessary in connection with the Website for the duration of these Terms.

16. TERMINATION

16.1 PCL may terminate these Terms by notice in writing to you in the event that:

you fail to pay any amount to PCL due under these Terms and do not make that payment within seven (7) days after receiving notice requiring you to do so;

you fail to perform any of the obligations on its part to be observed or performed pursuant to these Terms and such failure is not remedied by you within fourteen (14) days after receipt by it of a notice in writing requiring the default to be remedied;

you fail to perform any of the obligations on your part to be observed or performed pursuant to the Online Conduct Policy and such failure is not remedied by you within seven (7) days after receipt by you of a notice in writing requiring the default to be remedied; or

any of the warranties or representations made by you contained in these Terms are false or inaccurate in any material way.

Either party shall be entitled to terminate these Terms immediately by notice in writing to the other if the other party shall:

commit any material breach of any of its obligations under these Terms which (in the case of a breach capable of being remedied) shall not have been remedied within fourteen (14) days after receipt of a written request so to do;

pass a resolution for winding-up otherwise than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or a court of competent jurisdiction shall make an order to that effect;

have an administrator appointed or documents are filed with the court in respect of such appointment or notice is served of an intention to appoint an administrator by that party or its directors or by a qualifying floating charge holder as provided in the Insolvency Act 1986, paragraph 14 Schedule B1.

Make any voluntary arrangement with its creditors or become subject to an administration order;

Have a receiver or manager or similar official appointed over the whole or substantial part of its undertaking or assets of such party;

Cease or threaten to cease to carry on business; and

Have any similar event occur under the law of any other jurisdiction in respect of it.

PCL reserve the right to withhold/suspend hosting/email services if accounts are not settled within the agreed payment dates.

PCL reserve the right to withhold/suspend hosting/email services immediately if they consider hosted content or code or emails a threat to the security or integrity of the PCL hosting server without definitions.

17. CONFIDENTIAL INFORMATION

17.1 Each party may use the Confidential Information of a disclosing party only for the purposes of these Terms and must keep confidential all Confidential Information of each disclosing party except to the extent (if any) the recipient of any Confidential Information is required by law to disclose the Confidential Information.

Either party may disclose Confidential Information of the other party to those of its employees and agents who have a need to know the Confidential Information for the purposes of these Terms but only if the employee or agent executes a confidentiality undertaking in a form approved by the other party.

All documents and other materials containing Confidential Information of either party will be returned to that party immediately upon completion of the Hosting Services.

The parties' obligations to keep information confidential will survive the termination of these Terms.

The obligations of confidentiality under these Terms do not extend to information that:

was rightfully in the possession of the receiving party before the negotiations leading to these Terms;

is, or after the day these Terms are signed, becomes public knowledge (otherwise than as a result of a breach of these Terms); or

is required by law to be disclosed.

18. FORCE MAJEURE

'Force Majeure' means anything outside the reasonable control of a party, including but not limited to, acts of God, fire, storm, flood, earthquake, explosion, accidents, acts of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restriction, labour dispute, labour shortage, power shortage, transportation embargo, failure or delay in transportation, including without limitation where PCL ceases to be entitled to access the Internet or ceases to have access to the Internet for whatever reason, any act or omission (including laws, regulations, disapprovals or failures to approve) of any government or government agency.

If a party is wholly or partially precluded from complying with its obligations under these Terms by Force Majeure, then that party's obligation to perform in accordance with these Terms will be suspended for the duration of the Force Majeure.

As soon as reasonably practicable after an event of Force Majeure arises, the party affected by Force Majeure must notify the other party of the extent to which the notifying party is unable to perform its obligations under these Terms.

19. CONFLICT

In the event of ambiguity or conflict between the provisions of these Terms, the Outline Conduct Policy and the Schedules the provisions of these Terms shall prevail

20. ALTERNATIVE DISPUTE RESOLUTION PROCEDURE

If any dispute or difference arises out of or in connection with these Terms which the Parties are unable to resolve by negotiation (the 'Dispute'), the Parties shall seek to resolve the Dispute amicably by using the following procedure.

The Parties shall submit the Dispute to an independent mediator ('Mediator') appointed by agreement between the Parties to assist them in resolving the Dispute. Any Party may give written notice to the other describing the nature of the Dispute, requiring the Dispute to be submitted to a Mediator and proposing the names of up to three (3) suitable persons to be appointed. If no such Person is appointed by agreement between the Parties within fifteen (15) days after such notice is given (or, if no such notice is given, within thirty (30) days after the Dispute has arisen), any party may request the British Chambers of Commerce to appoint the Mediator.

The Parties shall, with the assistance of the Mediator, seek to resolve the Dispute by using

an alternative dispute resolution (ADR) procedure agreed between the Parties or, in default of such agreement, established by the Mediator.

If the Parties reach agreement as to the resolution of the Dispute, such agreement shall be recorded in writing and signed by the Parties (and, if applicable, the Mediator), whereupon it shall become binding upon the Parties.

If:

the Dispute has not been resolved to the satisfaction of all parties within sixty (60) days after the appointment of the Mediator; or

any Party fails or refuses to agree to or participate in the ADR procedure; or

the Dispute is not resolved within ninety (90) days after it has arisen,

then the Parties shall be free to litigate in accordance with governing law and jurisdiction clause.

20.6 In the event that the Dispute is litigated:

the Mediator shall not, unless the Parties all agree otherwise, take any part in the proceedings, whether as witness or otherwise, and no aspect of the ADR procedure, including any recommendations made by the Mediator in connection with the ADR procedure, shall be relied upon by any Party without the consent of the other Parties and the Mediator;

No party shall make use of nor rely upon information supplied, or arguments raised, by the other Party in the ADR procedure

The cost and fees of the Mediator, the ADR service provider and any neutral venue shall be borne equally by the Parties. The Parties shall bear their own costs of all other aspects of the ADR procedure.

SCHEDULE ITEM

1 – Hosting Services Item

2 – Service Fee Item

3 – Client names, logos and trademarks