

MEGAFLATABLES LTD TERMS & CONDITIONS OF BUSINESS

DEFINITIONS

1. In these Terms and Conditions, unless the context otherwise permits or requires the following expressions shall have the following meanings:

(a) 'The Company' means Megaflatables Ltd., whose office is situated at Unit 4B The Warren Estate, Lordship Road Writtle Essex CM1 3WT.

(b) 'The Customer' means any person, firm or company requesting the Company to produce, supply or provide a product or service, and includes any servant, agent or subcontractor of the Customer.

ACCEPTANCE OF TERMS AND CONDITIONS

2. (1) Any business undertaken by the Company or any information, advice or service supplied by the Company, (whether charged for or not), is undertaken or provided subject to these Terms and Conditions which shall be the terms of any contract for supply of goods or services between the Company and the Customer.

(2) These Terms and Conditions subject to and together with any variation agreed in writing between the Company and the Customer shall constitute the entire contract between the Company and the Customer and shall override or supersede any previous agreement or arrangement between the Company and the Customer and in particular shall operate to the exclusion of any Terms and Conditions at any time imposed by the Customer.

(3) The Customer acknowledges that it has not entered into this Agreement relying upon any representation made by or on behalf of the Company and without prejudice to the generality of the foregoing the Customer has not relied upon any correspondence, statement or sales literature issued by or on behalf of the Company.

CHARGES

3. (1) All prices quoted, unless otherwise stated, are ex. works Writtle, and subject to an additional charge for packing and carriage. Prices are subject to the addition of Value Added Tax where applicable at the rate ruling at the date of Invoice.

(2) We require a minimum of 50% deposit upon receipt of order, and the remaining final balance prior to delivery of goods. All orders must be in writing. Production will not commence until the deposit has been received.

(3) Payments must be made before the goods are despatched unless credit terms are agreed in writing. Settlement of credit accounts unless otherwise agreed by Megaflatables Ltd should be made within the first fourteen days of the month following the month during which the goods are shipped or finally invoiced. Settlement terms are strictly net and we reserve the right to charge Interest on overdue accounts at the rate of 5% over the Rate for the time being of Barclays Bank PLC., from the fifteenth day of the month following the month of shipment or final invoice.

(4) Deposits are non-refundable.

SUPPLY OF GOODS

4. (1) The contract shall require the Customer to give particulars sufficient to enable the Company to deliver at the time or times within the period so specified,

(2) Where the Customer must perform any act to enable the Company to deliver the goods, such act must be so performed as to enable the Company to make delivery within the time stipulated. If default is made in performing such act and the Company is thereby unable to deliver within the Contract time, the Company shall have the right to cancel any deliveries, and any costs sustained by the Company be paid by the Customer.

(3) If by the completion (subject to any extension agreed upon) any goods under this Contract have not been taken up by the Customer the Company shall have the right to cancel any goods which they have prepared to deliver but which have not been taken up. Any cancellation under this clause shall not prejudice the right of the Company to claim damages against the Customer.

(4) The Company reserves the right to impose a cancellation charge if a Customer's order is cancelled for no fault of the Company. If cancellation occurs prior to production, 50% of the total invoice value will be charged. If cancellation is during/after production the total invoice value will be payable.

(5) The Company reserves the right to charge for storage of the goods where the Customer has failed to give delivery instructions within fourteen days of him/her being notified the goods are ready for delivery or collection.

5. All quantities quoted are approximate. All bulk quantity printed products over 500 are supplied subject to a variation in quantity of up to 10% over or below the quantity ordered.

6. The Company shall not be liable in any way in respect of late delivery howsoever caused, nor shall such failure be deemed to be a breach of the

Contract. Any suggested delivery or completion is given as an estimate only and is not to be the essence of the Contract.

7. The Company will not accept responsibility for any loss arising from the non availability of materials or the delay or lack of delivery of goods arising from causes beyond our control.

8. In the case of delivery of goods by installments the Customer will not be entitled to treat delivery of faulty goods in any one installment, or the late delivery of any one installment, as a repudiation of the whole contract.

9. The risk in the goods passes to the Customer upon delivery to the carrier, but title in the goods remains vested in the Company and shall only pass to the Customer upon full payment being made. The Customer agrees that prior to the full payment being made the Company may at any time enter upon the Customers premises and remove the goods therefrom.

LIMITATION OF LIABILITY

10. (1) The Company shall not be liable for any consequential loss of the Customer of whatever nature arising from any breach of Contract on the part of the Company.

(2) Insofar as the Company is liable for any costs claimed or demanded by the Customer, the liability of the Company shall be limited (at the discretion - of the Company) to:

(a) Replacing the defective goods

(b) Making good the defect

(c) Allowing a part or full credit for the cost of the defective goods or work done on them by the Company.

11. The Company reserves the right to cancel a Contract or an Order if the Customer breaches any terms of any Contract with the Company or enters into receivership or liquidation or commences legal proceedings involving the Customer solvency.

DESIGN AND PRODUCTION

12. The Company does not guarantee to supply an exact replica of a Customer's design, but will use its best endeavours to produce a fair representation within the acceptable limitations of inflatable design and production.

13. The Company will use its best endeavours to reproduce the designs and colour schemes to the Customer's brief, but the Customer accepts the limitations of fabric colours, paints and inks availability, and any variations from the specified shades caused by application to the product.

14. The Company retains copyright of its own designs and accepts no responsibility for infringement of patent or copyright or registered design of any third party incurred in carrying out the Customer's directions.

USAGE

15. The Company does not accept responsibility for the suitability for any particular end use of the goods supplied, unless previously agreed by the Company in writing. The Customer acknowledges limitations of inflatables depending on aerodynamic and acrobatic principles and climatic conditions. It is the Customer's responsibility to guard against negligence in handling or utilisation in weather conditions when the use of an inflatable is not recommended.

16. It is the Customer's responsibility to ensure that the use to which any merchandise supplied by the Company is put, complies with requirements of Local Planning Authorities and other interested departments and that in the event of there being any infringement thereof, the Customer will not be entitled to compensation for any breach of contract of sales.

17. The safe operation of all inflatables is the responsibility of the Customer.

18. In respect of helium filled inflatables, no guarantee can be given of helium requirement, usage or leakage through fabrics or materials of manufacture.

19. In other than warranty cases relating to faulty goods, the Company is under no obligation to undertake repairs to damaged inflatables or products. Where the Company does agree to undertake repairs these will be carried out to the best of its ability taking account of the nature of the repairs, condition of the inflatable and reasons for damage. No guarantee can be given as to air or helium retention of the repaired balloon, unless formally agreed in writing by the Company.

NON DELIVERY AND DAMAGE

20. The Company and the carrier must be informed in writing,

(1) Within seven days of the Customer's receipt of invoice if the goods have not been delivered.

(2) Within three days of arrival of the goods, in the event of any deficiency or damage.

21. The contract shall be interpreted in accordance with the laws of England.