

TERMS AND CONDITIONS OF TRADE

Agreement between RGDESIGN and the CLIENT identified on this agreement.

The CLIENT listed below is subject to the following terms and conditions.

GENERAL WORKING AGREEMENT – This document defines the terms and conditions of our working relationship. All projects or services that RGDESIGN may be contracted to produce or provide for CLIENT will be subject to the following:

ESTIMATION/QUOTATION - Where an estimation/quotation is given by RGDESIGN, unless stated the estimation/quotation shall be valid for thirty (30) days from the date of issue and RGDESIGN reserves the right to alter the estimation/quotation because of circumstances beyond its control. Where projects or services are required in addition to the estimation/quotation the CLIENT will be consulted and RGDESIGN will proceed once the CLIENT agrees to pay for the additional cost of such projects or services.

RGDESIGN will begin work upon CLIENT'S approval of the written estimation/quotation. The CLIENT's approval (written or oral) will constitute an agreement with RGDESIGN. Therefore it is advised that the CLIENT exercises due care and attention when checking estimations/quotations before any work proceeds.

PAYMENT – CLIENT agrees to pay RGDESIGN in accordance with the terms specified in each proposal or estimation/quotation. For projects estimated/quoted over \$300 the CLIENT will be required to pay 50% of the project cost before work will proceed.

For any projects that do not require an estimation/quotation an hourly rate will be charged for all work undertaken. It is the responsibility of the CLIENT to request an estimation/quotation before any work proceeds.

Final payment is due in full 14 days from the date of invoice. Interest may be charged on any amount owing after the due date at the rate of 2% per month or part month. RGDESIGN reserves the right to refuse completion or delivery of work until past due balances are paid. Any expenses, costs or disbursements incurred by RGDESIGN in recovering any outstanding monies including debt collection agency fees or solicitor's costs shall be paid by the CLIENT.

REVISIONS AND ALTERATIONS – New work requested by the CLIENT and performed by RGDESIGN after a proposal or estimation/quotation has been approved is considered a revision or alteration. If the job changes to an extent that substantially alters the specifications described in the original estimate/quote, RGDESIGN will submit a revised estimate/quote to the CLIENT, and a revised additional fee must be agreed to by both parties before further work proceeds.

An allowance for three requested changes by the CLIENT totalling no more than one hour will be included in the estimation/quotation. However, if the clients requested changes exceed this allowance, the CLIENT will be consulted and billed accordingly. The CLIENT will be notified of any price changes. Also, author's alterations and other copy changes requested after layouts or artwork are completed are billed at standard hourly rates.

NATURE OF COPY – The CLIENT agrees to exercise due diligence in its direction to RGDESIGN 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 RGDESIGN prepares.

COLOUR PROOFS - There is no guarantee that production prints will exactly match colour proofs because of variations in proof preparation methods and substrates. RGDESIGN will however endeavour to provide a commercially acceptable finished product.

APPROVALS/ERRORS & OMISSIONS – It is the CLIENT's responsibility to check proofs carefully for accuracy in all respects, ranging from spelling to technical illustrations. RGDESIGN is not liable for errors or omissions. The CLIENT's signature

or that of the CLIENT's authorised representative is required on a supplied Approval Form prior to release for printing or other implementation.

PROPERTY AND SUPPLIER'S PERFORMANCE – RGDESIGN will take all reasonable precautions to safeguard the property of the CLIENT. In the absence of negligence on RGDESIGN's part, however, RGDESIGN is not responsible for loss, destruction or damage or unauthorised use by others of such property. RGDESIGN will use it's best efforts to ensure quality and timely delivery of all printed pieces. Although RGDESIGN will use it's best efforts to guard against any loss to the CLIENT through the failure of RGDESIGN's vendors, media, or others to perform in accordance with their commitments, RGDESIGN is not responsible for failure on their part.

If the CLIENT selects their own vendors, other than those recommended by RGDESIGN, the CLIENT may request that RGDESIGN coordinate their work. If at all possible, RGDESIGN will attempt to do so, but RGDESIGN cannot in anyway be held responsible for quality, price, performance or delivery.

LIEN – 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.

RIGHTS OF OWNERSHIP – RGDESIGN owns and has copyright of all designs, ideas, drawings, documents, specifications, electronic images and software produced by RGDESIGN until the products or services have been paid for in full by the CLIENT.

RGDESIGN reserves the right to photograph and/or distribute or publish for RGDESIGN's promotional and marketing needs any work RGDESIGN creates for the CLIENT, including mock-ups and comprehensive presentations, as samples for RGDESIGN's portfolio, newsletters, brochures, slide presentations and similar media.

The CLIENT acknowledges and agrees that RGDESIGN may register any security interest that RGDESIGN has in respect of the designs, ideas, drawings, documents, specifications, electronic images, software, photographs, publications and their proceeds ("referred to as the contract work/specifications") on the Personal Property Securities Register and that such security interest survives until the contract work/specifications have been paid for in full.

Until RGDESIGN has received payment in full for the contract/specifications the CLIENT acknowledges and agrees that:

- (a) RGDESIGN supply the contract work/specifications to the CLIENT on condition that RGDESIGN has a Purchase Money Security Interest in the contract work/specifications.
- (b) The CLIENT will not permit the contract work/specifications to become accessions to or co-mingles with other product or mass if RGDESIGN has not perfected any security interest that RGDESIGN has in relation to the contract work/specifications.
- (c) If the CLIENT, notwithstanding this provision in the Terms and Conditions of Trade, sells or transfers or uses the contract work/specifications before paying RGDESIGN for it, the CLIENT will pay the proceeds arising from such sale or transfer into a separate account with separate records so that those proceeds remain identifiable and traceable to that sale or transfer of the contract work/specifications. The CLIENT agrees that there will be no other funds into the account. If the CLIENT further deals with such proceeds, the CLIENT will manage those dealings in a manner so that the proceeds remain identifiable or traceable to the original contract work/specifications. If the CLIENT sells or transfers or in any manner uses the contract work/specifications before paying RGDESIGN then all claims which the CLIENT holds against third parties shall be handed over to RGDESIGN.
- (d) If RGDESIGN perfects any security interest that it has in relation to contract work/specifications, the CLIENT will not do anything that results in RGDESIGN having less than the security or priority position in respect of the PPSA that RGDESIGN assumed at the time of perfection.

(e) If RGDESIGN is a secured party under the PPSA.

(i) So far as permitted by Section 107 of the PPSA the CLIENT will have no rights under Sections 114, 117, 120, 133 and 134 of the PPSA.

(ii) The CLIENT agrees that its rights as a Debtor under Section s116, 119, 120(2), 121, 125, 126, 127, 129, 131 and 132 of the PPSA do not apply to the security interest granted by RGDESIGN.

(iii) In accordance with Section 148 of the PPSA the CLIENT waives its rights to receive any financing statement or financing charge statement from RGDESIGN.

(f) The CLIENT will assist RGDESIGN by completing any formalities or providing any information required by RGDESIGN to establish and maintain the best security position that it is entitled to under the PPSA.

SUSPENDED WORK – The suspension of any work on CLIENT instructions for a period of 30 days or more shall entitle RGDESIGN to payment in full for all work in progress at the time of suspension. RGDESIGN may revise the estimation/quotation for the uncompleted portion of the project before proceeding.

TERM AND TERMINATION – The term of this agreement will continue for work in progress until terminated by either party upon thirty (30) days written notice. If the CLIENT should direct RGDESIGN at any time to cancel, terminate or “put on hold” any previously authorised purchase, RGDESIGN will promptly do so, provided the CLIENT hold RGDESIGN harmless for any cost incurred as a result.

Any projects cancelled or terminated after design work has commenced will be invoiced at the standard charge-out rates. A minimum cost will apply. Any cancelled project is billed only through phases and/or portions of phases that were actually completed by RGDESIGN.

Upon termination of this agreement, RGDESIGN will transfer to the CLIENT all the property and materials in our control and for which the CLIENT has paid. The CLIENT will indemnify and hold RGDESIGN harmless for any loss or expense (including legal fees), and agree to defend RGDESIGN 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 RGDESIGN prepares and the CLIENT approves before publication.

PRODUCTION SCHEDULES – Production schedules will be established and adhered to by both the CLIENT and RGDESIGN, provided that neither shall incur any liability, penalty or additional cost due to delays caused by a state of war, riot, civil disorder, fire, labour trouble 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 RGDESIGN. Where production schedules are not adhered to by the CLIENT, final delivery date or dates will be adjusted accordingly.