

MEDIA LARIO TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS

In these conditions:-

"**Conditions**" mean the standard terms and conditions of purchase set out in this document and any special terms included on the Order Form.

"**Contract**" means the contract for the sale and purchase of the Goods and/or the supply and acquisition of the Services formed by the Supplier's acceptance of the Order which, however made or communicated, shall be deemed made subject to these Conditions.

"**MEDIA LARIO**" means Media Lario Srl (Italy)

"**Delivery Address**" means the address for delivery stated on the Order.

"**Delivery Date**" means the delivery date or period specified on the Order.

"**Goods**" means all those goods and materials described in the Order.

"**Intellectual Property Rights**" means patents, trade marks, service marks, trade names, design rights (whether registrable or otherwise), copyright, knowhow and other similar rights or obligations whether registrable or not in any country.

"**Order**" means MEDIA LARIO's purchase order for the supply of the Goods and/or supply of Services.

"**Price**" means the total price of the Goods and/or Services.

"**Services**" means the services (if any) described in the Order.

"**Specification**" means the plans, drawings, data and other technical information relating to the Goods and/or Services.

"**Standards**" means the safety and technical standards of the Goods and/or Services referred to in the Specification.

"**Supplier**" means the person, firm or company to whom the Order is addressed.

"**writing**" includes telex, cable, facsimile transmission and comparable means of communication.

2. APPLICATION OF TERMS

2.1 These Conditions are the only conditions upon which MEDIA LARIO is prepared to deal with the Supplier and they shall govern the Contract to the entire exclusion of all other terms or conditions.

2.2 Each Order for Goods or Services by MEDIA LARIO from the Supplier shall be deemed to be an offer by MEDIA LARIO to purchase Goods or Services subject to these Conditions and no Order shall be accepted until the Supplier either expressly by giving notice of acceptance, or impliedly by fulfilling the Order, in whole or in part accepts the offer.

2.3 No terms or conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or acceptance of order, specification or similar document will form part of the Contract and the Supplier waives any right it otherwise might have to rely on such terms and conditions.

3. BASIS OF PURCHASE

The Order constitutes an offer by MEDIA LARIO to purchase the Goods and/or acquire the Services subject to these Conditions. These Conditions shall apply to the Contract to the exclusion of any other terms and conditions on which any quotation has been given to MEDIA LARIO or subject to which the Order is accepted or purported to be accepted by the Supplier. No variation to the Order or to these Conditions shall be binding unless made in writing and signed by both parties.

4. INSPECTION AND TESTING

(a) MEDIA LARIO shall be entitled to:-

(i) inspect and test the Goods during their manufacture, processing or storage at any reasonable time at the Supplier's works or at the premises of subcontractors and the Supplier shall afford to MEDIA LARIO all such facilities as may be reasonably required by MEDIA LARIO; and

(ii) require one or more samples to be submitted for inspection and testing prior to despatch of the Goods.

(b) Such inspection and testing shall not constitute acceptance by MEDIA LARIO and does not relieve the Supplier or any subcontractor of any responsibility under the Order, whether implied or expressed.

(c) The Supplier shall comply with all applicable regulations or other legal requirements concerning the manufacture, packaging, packing and delivery of the Goods and the performance of the Services.

(d) If as a result of any inspection or testing carried out in accordance with Conditions 4 (a)(i) and (ii) MEDIA LARIO is not satisfied that the Goods comply in all respects with the relevant Contract, or with any other Specification notified to the Supplier by MEDIA LARIO, and MEDIA LARIO so informs the Supplier within 7 working days of such inspection or testing, the Supplier shall take such steps as are necessary to ensure compliance.

(e) In the event that any of the Goods fail inspection and/or testing, MEDIA LARIO reserves the right to charge the Supplier any costs incurred by MEDIA LARIO for subsequent reinspection and/or testing in respect of travel and accommodation.

5. DELIVERY

(a) The Supplier shall deliver the Goods to and the Services shall be performed at the Delivery Address during normal working hours unless specified otherwise in the Order. In the event that the Supplier delivers the Goods to the wrong address, MEDIA LARIO reserves the right to refuse to accept delivery at that address and/or to charge the Supplier for the costs of subsequent transfer.

(b) The Supplier shall deliver the Goods on the Delivery Date. The Supplier shall perform the Services for the period specified in the Order. Time stipulated for delivery of the Goods or performance of the Services shall be of the essence.

(c) In the event of delivery being delayed by a Force Majeure Event, as set out in Condition 18, provided that the Supplier shall give MEDIA LARIO notice in writing immediately of such delay, MEDIA LARIO shall grant the Supplier such extension of time as may be reasonable.

(d) The Supplier shall properly pack and secure the Goods, and all despatches must prominently bear the MEDIA LARIO order number and MEDIA LARIO part codes (if any). MEDIA LARIO shall not be obliged to accept delivery in installments.

(e) If for any reason MEDIA LARIO is unable to accept delivery of the Goods at the time when the Goods are due and ready for delivery in accordance with sub-clause (b) above the Supplier shall store the Goods, insure and safeguard them and take all steps to prevent their deterioration until their actual delivery and MEDIA LARIO shall be liable to the Supplier for the reasonable costs (including insurance) of so doing.

(f) MEDIA LARIO shall be entitled to reject any of the Goods delivered which are not in accordance with the Contract, or in accordance with any other Specification notified to the Supplier, and shall not be deemed to have accepted any Goods until MEDIA LARIO has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.

(g) The Supplier shall provide MEDIA LARIO in good time with any instructions or other information required to enable MEDIA LARIO to accept delivery of the Goods or performance of the Services.

(h) Delivery of the Goods or performance of the Services shall be made or completed not later than the Delivery Date and the Supplier shall be liable to MEDIA LARIO for any loss or damage, whether direct, indirect or consequential, if it is delayed or prevented, in whole or in part, from delivering the Goods or performing the Services or otherwise performing its obligations under the Contract for any reason whatsoever except where the Supplier is so delayed or prevented due to a Force Majeure Event, as set out in Condition 18.

6. TITLE AND RISK

(a) Subject to subclause (c) below, title and risk of damage to or loss of the Goods shall pass to MEDIA LARIO only upon actual delivery of the Goods to the Delivery Address or such other address as MEDIA LARIO shall have specified in writing in accordance with Condition 4 above, without prejudice to any right of rejection which may accrue to MEDIA LARIO under these Conditions. Any loss or damage to the Goods prior to that time shall be borne by the Supplier.

(b) If the Supplier postpones delivery at the request of MEDIA LARIO pursuant to Clause 4 (e) above, title in the Goods shall pass to MEDIA LARIO seven days (7) after the date of receipt of notification from the Supplier that the Goods are due and ready for delivery or on such other date as may be agreed in writing between the parties but the Goods shall remain at the Supplier's risk until delivery.

(c) Where MEDIA LARIO pays for all or part of the Goods prior to delivery, title in those Goods paid for (but not risk) shall pass to MEDIA LARIO on the date of payment.

7. PRICE AND PAYMENT

(a) Subject to the subclauses below, MEDIA LARIO shall pay the Supplier the Price in accordance with the payment terms and currency set out in the Order.

(b) The Price shall be exclusive of any applicable Value Added Tax (which shall be payable by MEDIA LARIO subject to receipt of a VAT invoice) and inclusive of all charges for packaging, packing, shipping, carriage, insurance, delivery of the Goods to the Delivery Address and any duties, imposts or levies other than VAT.

(c) MEDIA LARIO reserves the right to set off against the Price any sums owed by the Supplier to MEDIA LARIO in respect of Goods and/or Services or other materials and Services under the Contract or otherwise.

(d) In the event that no payment terms have been pre-agreed between the Supplier and MEDIA LARIO (Procurement), MEDIA LARIO shall pay for the Goods and/or Services 60 days following the end of the month in which the Goods and/or Services are received or in which the invoice for the Goods and/or Services is received, whichever is the later.

(e) The Supplier must quote the Order reference on all invoices and send them to the address indicated on the Order. MEDIA LARIO will return invoices which have no Order reference. Incorrectly addressed invoices may be subject to delay in payment.

(f) Payment by MEDIA LARIO shall be without prejudice to any claims or rights which it may have against the Supplier and shall not constitute any admission by MEDIA LARIO as to the proper performance by the Supplier of its obligations hereunder.

(g) The Supplier shall have the right to charge daily interest on all outstanding amounts at the rate equal to the legal interest rate current from time to time in the jurisdiction of MEDIA LARIO. Interest shall continue to accrue notwithstanding termination of the Contract for any cause whatsoever.

8. WARRANTY AND GUARANTEE

(a) The Supplier warrants and represents to MEDIA LARIO that the Goods:

(i) shall be of good and merchantable quality and fit for the purpose which they are designed to fulfil and for any purpose made known expressly or impliedly by MEDIA LARIO to the Supplier and will conform in all respects with the terms of the Order;

(ii) shall be free from defects in design, materials and workmanship;

(iii) shall conform to the Standards and the Specification;

(iv) shall comply with all statutory requirements and regulations relating to the sale of the Goods;

(v) were manufactured using all reasonable care and skill;

(vi) MEDIA LARIO shall be provided with adequate instructions to enable MEDIA LARIO to make full use of the Goods; and

(vii) MEDIA LARIO shall acquire the Goods free from all encumbrances.

(b) In respect of the Services, the Supplier warrants and represents to MEDIA LARIO that it shall:

(i) perform the Services with reasonable care and skill;

(ii) provide suitable qualified and experienced personnel to carry out the Services or related tasks;

(iii) provide the Services in a timely and efficient manner; and

(iv) in accordance with any reasonable instruction notified by MEDIA LARIO.

(c) The Supplier warrants and represents to MEDIA LARIO that the sale or use of the Goods and the use of the Services does not infringe any Intellectual Property Right of any third party.

(d) If any Goods or Services are not supplied or performed in accordance with the Contract then MEDIA LARIO, without prejudice to any of its other rights or remedies, may require the Supplier forthwith either to:

(i) repair the Goods or to supply replacement Goods or Services in accordance with the Contract and within such reasonable time period as MEDIA LARIO may stipulate; or

(ii) treat the Contract as discharged by the Supplier's breach and require the refund to MEDIA LARIO of the Price (or part thereof) paid by MEDIA LARIO in respect of such Goods or Services;

(iii) Repaired Goods and/or replacement Goods or Services provided in accordance with Condition 7(d) shall be subject to the provisions of this Agreement in the same manner as those originally provided hereunder.

(e) Notwithstanding that MEDIA LARIO has inspected and accepted the Goods, the Supplier shall guarantee the Goods for a period of twelve (12) months from the date of delivery to MEDIA LARIO and shall investigate the cause of faults and promptly repair to MEDIA LARIO's satisfaction or replace without charge to MEDIA LARIO all or any part of the Goods found to be faulty by reason of defective material, design or workmanship within the guarantee period. MEDIA LARIO shall despatch the Goods for return carriage paid to the Supplier and the Supplier shall deliver the repaired Goods or replacements free of costs to the destination specified by MEDIA LARIO.

9. LIABILITY AND INDEMNITY

(a) In addition to and without prejudice to the generality of these Conditions, the Supplier undertakes to keep MEDIA LARIO fully indemnified against all liability, loss, damage, costs and expenses (including but not limited to legal expenses) directly or indirectly arising from or incurred or paid by MEDIA LARIO in relation to:

- (i) any damage to MEDIA LARIO's property and any claims for loss, injury or death to any third party or the property of any third party by reason of the Supplier's negligence or any act or omission on the part of employees, subcontractors or agents of the Supplier arising out of the execution of the Order or the failure to adequately insure against this liability;
 - (ii) failure of the Goods to be of good and merchantable quality and fit for the purpose for which they were designed to fulfil or other purpose made known expressly or impliedly by MEDIA LARIO to the Supplier;
 - (iii) any defect or fault discovered in the Goods including, without limitation, defects in design, materials and workmanship;
 - (iv) failure of the Goods to conform to the Standards and the Specification;
 - (v) failure of the Goods to comply with all statutory requirements and regulations relating to the sale of the Goods;
 - (vi) any encumbrance over the Goods;
 - (vii) failure to provide the Services with reasonable care and skill;
 - (viii) failure of the Supplier to provide suitable qualified and experienced personnel to carry out the Services or related tasks;
 - (ix) failure to provide the Services in a timely and efficient manner;
 - (x) any claim for infringement of any Intellectual Property Rights which arises as a result of the sale or use of the Goods or Services; and
 - (xi) delivery of the Goods or performance of the Services after the Delivery Date.
- (b) MEDIA LARIO shall not be liable to the Supplier in contract, tort, misrepresentation or otherwise including any liability for negligence or for breach of statutory duty for:
- (i) any loss of revenue, business, contracts, or profits; or
 - (ii) any indirect or consequential loss, howsoever arising.
- (c) MEDIA LARIO's aggregate liability in contract, tort or otherwise, including negligence, howsoever arising out of or in connection with the Contract shall be limited to the Price under the Contract.
- (d) Nothing in this Contract shall limit the liability of either party for death or personal injury resulting from negligence, fraud or deceit of either party or any other liability to the extent that it cannot be limited by law.

10. REGULATIONS AND LABELLING

The Supplier shall be responsible for compliance with all relevant laws and regulations, including those of any country where the Goods are to be delivered or the Services supplied or, to the knowledge of the Supplier, ultimately resold or used, and the Supplier shall ensure that the Goods when delivered to MEDIA LARIO are labelled in such a way as to ensure the safety which a person is entitled to expect from the Goods.

11. CONFIDENTIALITY

- (a) The parties shall treat each Order as confidential and, in particular, the Supplier shall not make use of the name MEDIA LARIO or the name of MEDIA LARIO's customers or suppliers for any advertisement, announcement or publicity without the prior written consent of MEDIA LARIO.
- (b) The Specification and all information supplied therewith, both of which contain Intellectual Property Rights, shall remain the property of MEDIA LARIO and are confidential. The Supplier shall not without the prior written consent of MEDIA LARIO use the Specification except for the purpose of the Order and shall not communicate such information to third parties except insofar as may be necessary for the purpose of the Order. The Supplier will ensure that third parties who are given confidential information keep that information confidential.
- (c) On completion of the Order or the termination of the same, at the request of MEDIA LARIO, the Supplier must return to MEDIA LARIO the Specification and any other documentation supplied.

12. TERMINATION

- (a) Without prejudice to any claim or right it might otherwise make or exercise MEDIA LARIO shall have the right forthwith to terminate the Order by notice prior to the Delivery Date or if the Supplier commits any breach or non-observance of any of the Conditions, including a failure to deliver by the Delivery Date, whereupon MEDIA LARIO shall be entitled:
 - (i) to return to the Supplier at the Supplier's risk and expense any of the Goods and/or Services already delivered and to recover from the Supplier any monies paid by MEDIA LARIO in respect of such Goods and/or Services; and
 - (ii) to recover from the Supplier any additional expenditure incurred by MEDIA LARIO in obtaining other Goods and/or Services in replacement of the Goods and/or Services.
- (b) MEDIA LARIO shall be entitled to terminate the Contract without liability to the Supplier by giving notice to the Supplier if:
 - (i) the Supplier makes any voluntary arrangement with its creditors (within the meaning of applicable insolvency regulations) or becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or
 - (ii) an encumbrancer takes possession, or a receiver is appointed of any of the property of the Supplier; or
 - (iii) the Supplier ceases, or threatens to cease, to carry on business; or
 - (iv) MEDIA LARIO reasonably apprehends that any of the events mentioned above is about to occur in relation to the Supplier and notifies the Supplier accordingly.
- (c) MEDIA LARIO shall be entitled to cancel the Order in respect of all or part only of the Goods and/or the Services by giving notice to the Supplier at any time in which event ;
- (d) MEDIA LARIO's sole liability shall be to pay to the Supplier the Price for the Goods and/or Services supplied prior to such cancellation date. MEDIA LARIO shall have no further liability to the Supplier as a result of any such cancellation.

13. NOTICES

All notices, demands, or other communications under this Contract shall be given or made in writing and shall be delivered personally or sent by first class post or facsimile transmission, addressed to the other party at the address set out in the Contract or at such other address as may be designated by notice from such other party. Any notice, demand or other communication sent by first class post shall be deemed to have been delivered (in the absence of evidence of earlier receipt) two days after the date of mailing. Any notice, demand or communication given by facsimile transmission shall be deemed to have been delivered on the next working day following transmission.

14. SPARES SUPPORT

The Supplier shall keep spare parts for the Goods for a period of ten (10) years from the date of the Order and where the Goods or spare parts thereof are to be made obsolete, the Supplier will give MEDIA LARIO at least twelve (12) months' notice in writing.

15. ASSIGNMENT/SUB-CONTRACTING

- (a) The Supplier shall not assign or sub-contract the Contract or any part of it without the prior written consent of MEDIA LARIO.

- (b) In any case where the Contract is assigned or sub-contracted in accordance with Clause 15(a) above, the Supplier will ensure that the assignee or sub-contractor, as the case may be, agrees to be bound by the Contract and these Conditions, and such assignment or sub-contract shall in no way limit or affect the obligations or liability of the Supplier hereunder.
- (c) MEDIA LARIO shall be entitled to assign or novate the rights and liabilities under this Contract to any affiliate of MEDIA LARIO at any time.

16. AMENDMENTS

No amendment, interpretation or waiver of any of the provisions of the Order, the Contract or these Conditions shall be effective unless made in writing and signed by the authorized representatives of MEDIA LARIO and the Supplier.

17. ENFORCEMENT

The failure to enforce or to require the performance at any time or times of any of the provisions of the Contract or these Conditions shall not be construed to be a waiver of such provision, and shall not affect either the validity of the Contract or these Conditions or any part thereof or the right of any party thereafter to enforce each and every provision in accordance with the terms of the Contract and these Conditions.

18. FORCE MAJEURE

Neither party shall be liable to the other under the Contract, for any loss or damage which may be suffered by the other party due to any cause beyond the first party's reasonable control including any act of God, severe weather, failure or shortage of power supplies, flood, drought, lightning or fire, the act or omission of Government, war, military operations, acts of terrorism or riot, (a "Force Majeure Event"). A Force Majeure Event shall not include any strike or lock-out, trade dispute or labour disturbance or the delay or failure in manufacture, production or supply by third parties of the Goods or Services.

19. DATA PROTECTION

- (a) In this paragraph, in addition to the terms defined in Condition 1, the following expressions shall have the following meanings:

"Personal Data" means information defined as such in the EU Data Protection Directive (95/46/EC) or information treated as personal data under any other law or regulation applicable to the information.

"Applicable Data Protection Law" means the EU Data Protection Directive (95/46/EC) or other applicable law or regulation as they may be amended from time to time.
- (b) The parties acknowledge that in providing the Goods and Services, the Supplier may process Personal Data, and/or disclose it to third parties. The Supplier shall have in place adequate technical and organisational security measures so that the confidentiality of this processing complies with Applicable Data Protection Law

20. ENTIRE AGREEMENT

- (a) The Contract represents the entire understanding between the Supplier and MEDIA LARIO in relation to its subject matter and supersedes all prior agreements, understandings or arrangements made by either party, whether oral or written.
- (b) Where special conditions specified by MEDIA LARIO are stated on the face of the Order, such special conditions shall apply equally with these Conditions, except that where there is any inconsistency between the two, the special conditions stated on the face of the Order shall apply.
- (c) No variation to the Contract shall be effective unless reduced to writing and signed by or on behalf of a duly authorised representative of each Party.

21. GOVERNING LAW

The Contract and the relationships of the parties in connection with the subject matter of the Contract will be governed by and determined in accordance with the laws of Italy and the parties hereby submit to the exclusive jurisdiction of the courts of Milan in relation to any legal action or proceedings arising out of or in connection with the Contract.

22. NO AGENCY

None of the parties to the Contract are the agent or representative of any other party to the Contract.

23. REPRESENTATIONS AND WARRANTIES

Each party to the Contract represents and warrants that it has the full legal right, power and authority to perform its obligations under the Contract and these Conditions and that the person executing the Contract has been duly authorised to sign the Contract on behalf of such party.

24. SEVERABILITY

In the event any one or more of the provisions contained in the Contract or these Conditions shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Contract or these Conditions, but the Contract or these Conditions shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the Contract and these Conditions shall be carried out as nearly as possible according to their original terms and intent.