

BOXSHOP (THE) LIMITED
GENERAL TERMS AND CONDITIONS OF SALE

1 Definitions and interpretation

In these Conditions the following terms have the following meanings:

"BOXSHOP" BOXSHOP (THE) Limited (registered as a company in Scotland with registered number SC097103) whose registered office is at 1-3 Manson Place, Kelvin Industrial Estate, East Kilbride, G75 0QW;

"Buffer Stock" Goods which are supplied by BOXSHOP on consignment;

"Conditions" the terms and conditions of sale set out in this document;

"Contract" any agreement between BOXSHOP and Customer for the sale and purchase of Goods incorporating these Conditions;

"Customer" the person who agrees to purchase Goods from BOXSHOP subject to these Conditions (whose details may be set out in Contract);

"Delivery Address" the address for delivery of Goods which shall be Customer's principal place of business unless specified otherwise in Contract;

"Estimated Delivery Date" the date on which BOXSHOP estimates that Goods will be delivered to Delivery Address (which may be set out in Contract);

"Equipment" artwork, origination and printing stereotypes, tooling and dies;

"Goods" Goods which BOXSHOP is to supply to Customer as agreed in Contract (which may be listed in Contract); and

"Group" BOXSHOP's parent undertaking and subsidiary undertakings and all subsidiaries of its parent undertaking; and Logson Investments (UK) Limited, Logson Investments (GB) Limited, Boxes and Packaging (UK) Limited, Logson Investments Limited and Boxes and Packaging (Doncaster) Limited and all subsidiary undertakings of such undertakings (and, for the purpose of this definition, parent undertaking and subsidiary undertaking shall have the meanings given to them in section 1162 of Companies Act 2006).

2 Basis of sale

2.1 These Conditions apply to all Contracts for the sale of Goods entered into by BOXSHOP. Customer agrees to deal with BOXSHOP on these Conditions, subject to any terms specified in writing in Contract and to exclusion of all other terms and conditions in any other document, save where these Conditions are specifically referred to in that document and the document is signed by both Customer and BOXSHOP.

2.2 No variation to these Conditions (unless purely typographical) shall be binding unless made in accordance with Condition 2.1 or in writing and signed on behalf of each of Customer and BOXSHOP.

3 Sale and purchase

3.1 Customer agrees to purchase Goods from BOXSHOP and BOXSHOP agrees to sell Goods to Customer.

3.2 Each order or acceptance of a quotation for Goods by Customer from BOXSHOP shall be deemed to be an offer by Customer to buy Goods subject to these Conditions and shall be binding on Customer, but shall not bind BOXSHOP until BOXSHOP has accepted that order in writing.

3.3 Customer shall ensure that terms of order and any applicable specification are complete and accurate.

3.4 All orders for Buffer Stock must be clearly identified as such at time of order. Goods that are not identified in this way on order may not be stored or used as Buffer Stock.

3.5 Any quotation is given on the basis that it is not an offer, it may be withdrawn by BOXSHOP at anytime without notice, and no Contract shall exist until BOXSHOP dispatches an acknowledgement of order to Customer or (if earlier) BOXSHOP delivers Goods to Customer. Any quotation is valid for a period of 30 (thirty) days only from its date, provided that BOXSHOP has not previously withdrawn it.

3.6 Customer shall not be entitled to cancel any order, accepted quotation or Contract, except where such cancellation has been accepted by BOXSHOP subject to Condition 12.5 and/or reasonable cancellation charges. In the event that the whole or part of an order, accepted quotation or Contract is cancelled by Customer, BOXSHOP shall be entitled to full payment under Contract.

4 Description

4.1 The quantity and description of Goods shall be as set out in BOXSHOP's quotation or acknowledgement of order, subject to this Condition 4.

4.2 The quantity and dimension of Goods supplied to Customer may vary from the quantity and dimension stated in Contract. Any variation in quantity of not more than plus or minus ten per cent, and/or any variation in dimension of not more than plus or minus five millimetres shall not constitute a breach or a failure to perform Contract.

4.3 Any materials supplied by BOXSHOP will be in accordance with BOXSHOP's standard list of specifications. In the event that material specified by Customer is not available at time of manufacture then material of a similar strength (as decided at the sole discretion of BOXSHOP) may be substituted without reference to Customer.

4.4 BOXSHOP reserves the right to make any changes in the specifications of Goods which are required to conform to any applicable safety or other requirements or which do not materially affect their quality or performance.

5 Delivery

5.1 BOXSHOP shall use its reasonable efforts to deliver Goods to Customer, subject to payment of a separate delivery charge, at Delivery Address on or around Estimated Delivery Date, but time of delivery shall not be of the essence.

5.2 All pallets used to transport Goods shall remain the property of BOXSHOP and if left with Customer, such pallets shall be returned to BOXSHOP within a reasonable time and in good condition, at the cost (if any) of Customer.

5.3 Delivery by instalments shall each be treated as an entirely separate contract and any default or breach by BOXSHOP in respect of any instalment shall not entitle Customer to cancel any other instalment or treat Contract as a whole as repudiated.

5.4 Customer shall inspect Goods on delivery and if Goods are damaged or in a reduced quantity (subject to Condition 4.2) then, unless Customer notifies BOXSHOP and the carrier (otherwise than by a note on the delivery note) within 14 (fourteen) days of delivery no claim against BOXSHOP may be made in respect of damage to or short delivery of such Goods. No claim will be considered unless signature of Customer on delivery note is appropriately qualified.

5.5 BOXSHOP is not liable for any short delivery in or damage to Buffer Stock that is not notified in accordance with Condition 5.4, whether it becomes apparent on Buffer Stock being taken out of storage ("Extraction") or otherwise.

5.6 Subject to Condition 5.4, Customer shall be deemed to accept Goods on delivery notwithstanding any late delivery by BOXSHOP.

5.7 Subject to the other provisions of these Conditions BOXSHOP shall not be liable for any direct, indirect or consequential loss (all three of which terms include, without limitation, pure economic loss, loss of profits, loss of business, depletion of goodwill and similar loss) whatsoever, or costs, damages, charges or expenses caused directly or indirectly by any delay in delivery of Goods (even if caused by

BOXSHOP's negligence), nor shall any delay entitle Customer to terminate or rescind Contract unless such delay exceeds 60 (sixty) days.

5.8 If for any reason Customer fails to accept delivery of any of Goods, or BOXSHOP is unable to deliver Goods on time because Customer has not provided appropriate instructions, then Goods shall be held at BOXSHOP's premises for collection by Customer but risk in Goods shall pass to Customer and BOXSHOP may invoice for Goods at any time which will be payable by Customer within 7 (seven) days of date of invoice.

6 Buffer Stock

6.1 Customer may only use Buffer Stock to satisfy its immediate production requirements, providing that Extracted items begin with the oldest items. Customer must keep an up-to-date, accurate written record of all items of Buffer Stock in and/or Extracted from storage and provide details of the same and an order for equal number of replacement Buffer Stock items within 5 (five) days of end of each month.

6.2 BOXSHOP and its representatives shall be entitled to enter upon Customer's premises at any time to inspect and audit Buffer Stock and/or the Extraction record under Condition 6.1 and to repossess Buffer Stock (using reasonable force if necessary). Customer shall grant such access to premises, personnel and facilities as BOXSHOP may require for such purposes.

6.3 BOXSHOP shall be entitled to invoice Customer for (and Customer shall purchase):

6.3.1 any un-Extracted Buffer Stock that BOXSHOP's audit under Condition 6.2 reveals to be damaged and/or missing from Customer's store; and

6.3.2 any Buffer Stock that remains un-Extracted more than 3 (three) months following initial delivery date.

6.4 Extracted items will be invoiced following receipt of Customer's report under Condition 6.1 and/or in the other circumstances set out in this Condition 6.

6.5 If Customer fails to provide its report on time, BOXSHOP may issue (and Customer must pay) an estimated invoice.

7 Price and payment

7.1 The price of Goods shall be the price set out in Contract or, if not specified, the price quoted by BOXSHOP or, failing that, the price listed in BOXSHOP's published price list current at date of delivery.

7.2 BOXSHOP reserves the right, by giving notice to Customer at any time before delivery, to increase price of Goods to reflect any increase in cost to BOXSHOP which is due to any factor beyond its control, any change in delivery dates, quantities or specifications for Goods which is requested by Customer or any delay caused by any instructions of Customer or failure of Customer to give BOXSHOP adequate information or instructions.

7.3 Unless otherwise stated in Contract or under terms of any quotation or in any price list of BOXSHOP, Customer shall be liable to pay any additional expenses, licence fees or duties paid or incurred by BOXSHOP, whether as a result of Delivery Address not being in UK or otherwise.

7.4 The price is exclusive of any applicable value added tax, which Customer shall be additionally liable to pay to BOXSHOP.

7.5 BOXSHOP shall be entitled to invoice Customer for all amounts due under Contract on or at any time after delivery of Goods unless Goods are to be collected by Customer or Customer wrongly fails to take delivery of them, in which case BOXSHOP shall be entitled to invoice Customer at any time after BOXSHOP has notified Customer that Goods are ready for collection or (as the case may be) BOXSHOP has tendered delivery of Goods and payment shall be made pursuant to Condition 5.8.

7.6 Save as set out in Contract (and in Condition 5.8), Customer shall make payment to BOXSHOP in respect of all invoices in full and cleared funds, without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise, at end of the month following the month in which invoice was raised. Time of payment shall be of the essence.

7.7 BOXSHOP shall have the right to charge interest on overdue invoices at the rate of 4% above the Bank of England's base rate.

7.8 All payments payable to BOXSHOP under Contract shall become due immediately on its termination despite any other provision.

7.9 If full payment is not received by BOXSHOP by due date then without prejudice to its rights BOXSHOP shall be entitled:

7.9.1 to sue for entire price under Contract and any other Contract or agreement which BOXSHOP or any member of Group has with Customer;

7.9.2 to charge statutory interest (both before and after any judgment) as provided for in Late Payment of Commercial Debts (Interest) Act 1998 on outstanding balance;

7.9.3 to terminate or suspend Contract in accordance with Condition 12; and/or

7.9.4 to require immediate return to BOXSHOP of all Goods agreed to be sold by BOXSHOP to Customer in which property has not passed to Customer in accordance with Condition 11 and Customer hereby agrees to reimburse to BOXSHOP upon demand BOXSHOP's costs or expenses in recovering such Goods.

7.10 To the extent that any amounts are payable by BOXSHOP or any member of Group to Customer under any agreement or otherwise, BOXSHOP or any member of Group may at any time or times, without notice to Customer set-off any such liability of BOXSHOP or any member of Group to Customer against any liability (including invoices to be raised) of Customer to BOXSHOP or any member of Group, whether any such liability is present or future (whensoever arising), liquidated or unliquidated, under Contract or not. Any exercise of BOXSHOP or any member of Group of its rights under this Condition shall be without prejudice to any other rights or remedies available to it under Contract or otherwise.

8 Warranty

8.1 BOXSHOP warrants that Goods will correspond in all material respects with any specifications set out in Contract at time of delivery and will be free from major defects in material and workmanship for a period of 1 (one) month from date of delivery provided that:

8.1.1 BOXSHOP shall be under no liability in respect of any defects in Goods arising from any drawing, design or specifications supplied by Customer;

8.1.2 BOXSHOP shall be under no liability in respect of any defect arising from fair wear and tear, wilful damage or negligence by Customer or persons using Goods, or misuse or alteration or repair of Goods without BOXSHOP's instruction or approval;

8.1.3 BOXSHOP shall be under no liability if total price of Goods has not been paid by due date for payment;

8.1.4 any such defect in or failure to meet any such specification by Goods shall be notified to BOXSHOP in writing as soon as reasonably possible and in any event within 1 (one) month from date of delivery; and

8.1.5 the above warranty does not extend to parts, materials or equipment not manufactured by BOXSHOP, in respect of which BOXSHOP shall assign any warranty or guarantee provided by manufacturer to Customer so far as it is able.

- 8.2 In the event of any valid claim under Condition 8.1 being made by Customer, BOXSHOP shall be entitled (at BOXSHOP's sole discretion) to replace Goods (or the part in question) free of charge or refund to Customer the price of Goods (or a proportionate part of the price as appropriate) but BOXSHOP shall have no further liability to Customer.
- 8.3 In the event that BOXSHOP replaces Goods under Condition 8.2, Customer shall permit BOXSHOP to retake possession of Goods originally supplied and BOXSHOP shall deliver replacement Goods within a reasonable time.
- 8.4 Customer warrants that it is not insolvent and is not bankrupt, or being a company, it is not subject to or aware of any other legal process that may impose rights over or against its assets.
- 8.5 All warranties, conditions and other terms implied by statute or common law (save for the conditions implied by section 12 of Sale of Goods Act 1979) are, to the fullest extent permitted by law, excluded from Contract.
- 9 Liability**
- 9.1 Save as provided in Condition 9.3, BOXSHOP's total aggregate liability to Customer in respect of all causes of action arising out of or in connection with Contract (whether for breach of contract, strict liability, tort (including, without limitation, negligence), misrepresentation or otherwise) shall not exceed total invoice price of Goods paid or payable by Customer under Contract.
- 9.2 Save as provided in Condition 9.3, BOXSHOP shall not be liable to Customer for loss of profit; loss of revenue; loss of or depletion of goodwill; loss of anticipated savings; loss of business opportunity; loss of data or use of data; injury to reputation; or any indirect, consequential or special loss or damage, regardless of form of action, whether in contract, strict liability or tort (including, without limitation, negligence) and regardless of whether BOXSHOP knew or had reason to know of possibility of the loss, damage or injury in question.
- 9.3 Nothing in Contract shall limit or exclude either party's liability for death or personal injury resulting from negligence; for fraud or fraudulent misrepresentation; and for any other liability the exclusion or limitation of which is not permitted by English law.
- 10 Intellectual Property**
- 10.1 All intellectual property rights (to include (without limitation) any patent, copyright, design, trade mark or other registered or unregistered industrial or intellectual property rights and any know-how) (the "Intellectual Property") in Goods are owned by BOXSHOP (save as provided in Condition 10.2).
- 10.2 To the extent that Goods are to be manufactured or a process is to be applied to them by BOXSHOP in accordance with specifications or instructions submitted by Customer (and in which intellectual property rights may subsist), or to the extent that Goods are to be marked with any trade mark, trade name, service mark or any other Intellectual Property at the request of Customer, Customer warrants that it has the owner's permission to use the Intellectual Property in accordance with Customer's specifications or instructions and has permission to and shall grant an irrevocable license to BOXSHOP to use the Intellectual Property and shall indemnify and hold BOXSHOP harmless against:
- 10.2.1 all, damages, costs and expenses awarded against or incurred by BOXSHOP, or paid or agreed to be paid by BOXSHOP, in connection with any claim or settlement of any claim for infringement of any Intellectual Property ;
- 10.2.2 all, damages, costs and expenses awarded against or incurred by BOXSHOP, or paid or agreed to be paid by BOXSHOP, in connection with any claim or settlement of any claim for misuse of any confidential information of any other person;
- 10.2.3 any other liability whatsoever which results from BOXSHOP's use of Customer's specifications or use of Intellectual Property howsoever arising or from sale or supply of such Goods by BOXSHOP.
- 10.2.4 This condition 10 shall survive termination of the Contract.
- 11 Risk and title**
- 11.1 Unless otherwise stated in these Conditions Goods are at risk of Customer from time of delivery.
- 11.2 Ownership of Goods shall not pass to Customer until BOXSHOP has received in full (in cash or cleared funds) the price of Goods and all other sums due. BOXSHOP shall be entitled to recover payment for Goods notwithstanding that ownership of any of Goods has not passed from BOXSHOP.
- 11.3 Ownership of any Buffer Stock will pass to Customer on the later of Extraction or payment of all debts owed by Customer to BOXSHOP.
- 11.4 Until ownership of Goods has passed to Customer, Customer shall:
- 11.4.1 hold Goods on a fiduciary basis as BOXSHOP's bailee;
- 11.4.2 store Goods separately from all other goods (at no cost to and clearly marked as BOXSHOP's property);
- 11.4.3 grant BOXSHOP, its agents and employees an irrevocable licence at any time to enter any premises to inspect stored Goods, or, to recover them; and
- 11.4.4 maintain Goods in satisfactory and original condition, and keep them insured on BOXSHOP's behalf to the reasonable satisfaction of BOXSHOP.
- 11.5 Customer's right to possession of Goods shall terminate immediately if:
- 11.5.1 BOXSHOP is entitled to terminate Contract under Condition 12.1.2; or
- 11.5.2 Customer suffers or allows any execution to be levied on its property or obtained against it, or defaults on any of its material obligations under Contract or Customer ceases to trade; or
- 11.5.3 Customer encumbers or in any way charges any of Goods; and BOXSHOP is entitled to recover such Goods where Customer's right to possession has terminated, and invoice any un-recovered Goods in accordance with Condition 7.
- 11.6 BOXSHOP shall be entitled to re-sell or otherwise dispose of recovered Goods in any way BOXSHOP thinks fit. Customer hereby grants BOXSHOP a non-exclusive, world-wide, royalty free, perpetual, irrevocable licence to use all trade marks applied to Goods by Customer or any third party for purposes of such disposal.
- 11.7 On termination of Contract, howsoever caused, BOXSHOP's (but not Customer's) rights contained in this Condition 11 shall remain in full force and effect.
- 12 Termination and cancellation**
- 12.1 BOXSHOP shall be entitled to terminate Contract immediately by notice in writing to Customer if:
- 12.1.1 Customer commits an irremediable breach of Contract, persistently repeats a remediable breach or commits any remediable breach and fails to remedy it within 30 (thirty) days of receipt of notice of breach; or
- 12.1.2 Customer makes an arrangement or compromise with its creditors, becomes the subject of insolvency, bankruptcy or any other similar process or event; or
- 12.1.3 Customer fails to make payment when due pursuant to Condition 7.9.3; or
- 12.1.4 Customer ceases or threatens to cease to carry on business; or
- 12.1.5 there is at any time a material change in management, ownership or control of Customer; or
- 12.1.6 if BOXSHOP reasonably apprehends that any of the events specified in Condition 12.1.2 is about to occur in relation to Customer and notifies Customer accordingly.
- 12.2 Pursuant to Condition 12.1 BOXSHOP shall be entitled to cancel Contract or suspend any further deliveries under it without any liability to Customer and, the price of Goods shall become immediately due and payable and BOXSHOP shall be entitled to charge statutory interest as provided for in Late Payment of Commercial Debts (Interest) Act 1998 from time of such cancellation or suspension until BOXSHOP receives payment.
- 12.3 On termination for any reason, BOXSHOP shall be entitled at its sole discretion to:
- 12.3.1 invoice Customer for (and Customer shall purchase) all Buffer Stock the title to which has not passed to Customer; or
- 12.3.2 upon written notice, repossess all un-Extracted Buffer Stock pursuant to Condition 6.2.
- 12.4 Customer shall continue to store Buffer Stock in accordance with Condition 6 following service of a notice to terminate Contract (but shall not Extract any of it) until title to it passes to Customer or BOXSHOP repossesses it in accordance with Condition 12.3.2.
- 12.5 Cancellation of orders by Customer will not be accepted unless BOXSHOP provide written consent (at its sole discretion) and unless Customer fully indemnifies BOXSHOP in respect of all losses, costs and expenses incurred by BOXSHOP up to acceptance of a notice of cancellation.
- 13 Tooling**
- 13.1 Unless otherwise agreed in writing:
- 13.1.1 the cost of any Equipment specifically required by the Customer shall be paid for by the Customer; and
- 13.1.2 ownership of any Equipment created by BOXSHOP in accordance with Customer's specifications shall be retained by BOXSHOP.
- 13.2 For Goods that are supplied using any Equipment, if no orders are received within a period of 2 years from the date of delivery of the last order, then BOXSHOP reserves the right to dispose of or utilise the Equipment as it deems fit.
- 14 Force majeure**
- BOXSHOP reserves the right to defer date of delivery or to cancel Contract or reduce volume of Goods ordered by Customer (without liability to BOXSHOP) if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of BOXSHOP provided that, if the circumstances in question continue for a continuous period in excess of 180 (one hundred and eighty) days, Customer shall be entitled to give notice in writing to BOXSHOP to terminate Contract.
- 15 General**
- 15.1 The rights and remedies available to BOXSHOP under Contract shall be without prejudice to any other rights, either at common law or under statute, which it may have against Customer. The failure or delay of BOXSHOP to enforce or to exercise any rights or remedies under Contract shall not be construed as a waiver of such rights or remedies and shall in no way affect either party's right later to enforce or exercise them, nor shall any partial exercise of such rights or remedies preclude or limit further exercise of them.
- 15.2 Contract sets out the entire agreement between the parties and may not be varied except by written agreement of the parties or in accordance with Condition 2.2. Customer acknowledges that by entering into Contract it did not rely upon any matters that are not set out in it.
- 15.3 The invalidity or unenforceability of any term or right under Contract shall not in any way affect remaining terms or rights under Contract.
- 15.4 Any notice or written communication under Contract shall be delivered by hand or sent by recorded delivery mail to the other party at its address specified in Contract and shall be deemed to have been given on day of delivery.
- 15.5 Customer may not assign Contract or any right or obligation under it without prior written consent of BOXSHOP. BOXSHOP may assign or subcontract Contract or any right or obligation under it upon giving reasonable notice to Customer.
- 15.6 Save as provided below, nothing in Contract shall confer any rights upon any person who is not a party to Contract whether under Contract (Rights of Third Parties) Act 1999 or otherwise. Notwithstanding the above any member of Group may:
- 15.6.1 enforce BOXSHOP's rights under Contract;
- 15.6.2 take advantage of benefits conferred upon BOXSHOP under Contract; and
- 15.6.3 rely on exclusions and limitations of liability benefitting BOXSHOP under Contract.
- 15.7 Any reference in Contract to any statute, law or other similar instrument shall be deemed to include any lawful amendment, replacement and/or repeal thereof.
- 15.8 Contract is governed by the laws of England and the parties accept the exclusive jurisdiction of the English Courts.