

## Conditions of Business

### Universal Stars Incorporated Ltd. "the Company"

This contract sets out the terms upon we, Universal Stars Incorporated Ltd. "the Company", whose registered office is at Lawford House Albert Place London N3, undertake to provide you; also named below, for any agreement, service or services, including those under development and subject to intellectual property rights and governed by English law.

Please read the Conditions of Business carefully and return a signed acceptance of the company's terms and conditions. **This is a standard document and an internal requirement.** Our aim is to deliver quality product using industry standards.

#### Statement:

I have read and agreed to Universal Stars Incorporated Ltd. Conditions of Business:

Name:

Of Company: UNIVERSAL STARS INCORPORATED LIMITED

Accepted by your authorised signatory	Accepted by our authorised signatory
Signatures:	Signature:
Date:	Date:

# UNIVERSAL STARS INCORPORATED LTD (“the company”)

## CONDITIONS OF BUSINESS

### 1. Definitions

In these Conditions:

“**Act of Insolvency**” means any one or more of the following namely a notice is issued to convene a meeting for the purpose of passing a resolution to wind up a company or such a resolution is passed; a resolution is passed by its directors to seek a winding up or an administration order against a company; a petition for a winding up or an administration order is presented against a company or such an order is made; a petition for a bankruptcy order is presented or such an order is made; a proposal for a voluntary arrangement or an application for an interim order is made under the Insolvency Act 1986; a party takes any action (including starting negotiations) with a view to readjustment, rescheduling or deferral of any part of its indebtedness; a party proposes or makes any general assignment, composition or arrangement with or for the benefit of all or some of its creditors; a party suspends or threatens to suspend making payments to all or some of its creditors; a party becomes subject to any type of voluntary arrangement; a receiver (administrative or otherwise) is appointed over all or part of a party’s assets; any action is taken outside the United Kingdom which is similar or analogous to any of the foregoing or the other party has reasonable grounds for believing that any of the foregoing is imminent;

“**Business Day**” means any day (other than Saturday) on which clearing banks are open for normal banking business in sterling in the City of London;

“**Confidential Information**” means all the Company secret or confidential commercial, financial and technical information, know how, trade secrets, inventions, manufacturing processes, computer software and other information in relation to the Product whatsoever and in whatever form or medium and whether disclosed orally or in writing together with all reproductions thereof in whatsoever form or medium and any part or parts of it;

“**Contract**” means the contract made between the Company and the Customer for supply of the Product which is subject to these

“**Customer**” means the party with whom the Company contracts or is partnered to or associated with;

“**Intellectual Property Rights**” means all patents, trade marks, design rights, database rights, registered designs, copyright, know-how, Confidential Information and other intellectual property rights whatsoever and wherever subsisting;

“**Services**” means any services to be performed by the Company :

“**the Product**” means all components of the product known as “Starcloth”, including the looms, cloth, the control system and the power supply system to be supplied by the **Company and all and any other products works and materials to be supplied by the Company.**

## **2. Basis of Contract**

Any quotation shall remain open for a maximum of 30 days from its date. Quotations are not binding and shall not be open for acceptance by the Customer.

- 2.1** Where the Product is quoted for supply from stock it is quoted subject to being unsold when the Customer’s order is accepted.
- 2.2** These Conditions shall form the terms and conditions of the Contract and shall apply to the exclusion of any terms or conditions whether put forward by or on behalf of the Customer in or on its order or otherwise or whether implied by law (insofar as the exclusion of the same is lawful).
- 2.3** The placing by the Customer of any order shall constitute an offer by the Customer. No contract shall come into existence unless the Company accepts the Customer’s order in writing.
- 2.4** No alteration to these Conditions shall be effective unless expressly agreed to in writing by the Company.

**3. Supply and Use of the Product**

- 3.1 The Company hereby agrees to supply the Customer with the Product subject to the terms and conditions set out in these Conditions of Business.
- 3.2 The Customer shall not chemically, electrically, mechanically or otherwise analyse or have analysed the Product supplied by the Company.

**4. Information, samples and materials supplied**

- 4.1 The Customer shall be responsible to the Company for ensuring the accuracy and sufficiency of its order (including of any applicable specification and/or sample). The Company shall be entitled to charge the Customer for all costs (and a reasonable element of profit) incurred by it where variations to the Product and/or Services are requested by the Customer and accepted by the Company.
- 4.2 Where samples are to be supplied by the Company, the Customer shall as soon as reasonably practicable and in any event within 5 days after receipt of the same notify the Company that the samples are in all respects satisfactory or of any respect in which the samples are not satisfactory. In default of such notification the Company shall be entitled but not bound to proceed in the manufacture of the remainder of the Contract.

**5. Delivery**

- 5.1 Any time quoted by the Company for delivery of the Product is an estimate only and time shall not be of the essence. The Company shall not be liable for any failure to meet any such estimate, nor for any loss, of whatsoever nature resulting directly or indirectly therefrom.
- 5.2 In the absence of agreement to the contrary delivery of the Product shall be made by the Customer collecting the Product at the Company's premises as soon as practicable following notification from the Company that the Product is ready for collection or, if some other place for delivery is agreed by the Company, by the Company delivering the Product to that place.

**5.3** If the Customer fails to take delivery of the Product or fails to give the Company adequate delivery instructions, the Company may (without prejudice to its other rights and remedies):

5.3.1 store the Product (on its own or any third party's premises) and charge the Customer for its reasonable costs (including without limitation VAT costs of storage, carriage and insurance); and/or

5.3.2 sell the Product at any time and after deducting all costs and expenses account to the Customer for any excess over the price already paid under the Contract or charge the Customer for any shortfall between the Contract price and such costs and expenses.

**5.4**

5.4.1 Notification of non-delivery must be in writing to the Company within 14 days after the date of the Company's invoice;

5.4.2 The Company shall at its option either make good the whole or part of the price (and where relevant, as a deduction from any part of the price remaining unpaid) or by repair or replacement any such non-delivery or damage notified as aforesaid and save as provided in this Condition 5.4.2 shall not be liable for any such non-delivery or damage in transit nor for any loss, financial or otherwise resulting directly or indirectly therefrom. In no event shall the Company be liable to the Customer in connection with any damage or loss in transit where delivery takes place at the Company's premises.

**6. Price**

**6.1** Subject to prior written agreement to the contrary, the Company shall be entitled to invoice the Customer for the price of the Product on or at any time after the Company has tendered delivery of the Product.

**6.2** Any price quoted by the Company is based upon costs current as at the date of quotation. The price charged to the Customer under the Contract may be changed to take account of costs current at the date of invoice.

- 6.3 Unless otherwise expressly stated in writing, all prices are exclusive of VAT which shall be charged where appropriate at the rate prevailing at the relevant tax point.
- 6.4 The Customer shall make payment in full within thirty days following the date appearing on the Company's invoice notwithstanding that the delivery may not have taken place and the property in the Product may not have passed to the Customer. Interest at the annual rate of 4% over the base rate of the Bank of Scotland Plc will be charged on a daily basis on all monies outstanding after the due date until the actual date of payment (both before and after judgement), and any cash discount will not be allowed to the Customer.
- 6.5 Where payment is agreed to be made by instalments, any delay or default by the Customer in making payment in respect of any instalment shall render all the remaining instalments due forthwith, and interest will be charged in accordance with condition 5.4 with immediate effect until the date of actual payment.

7. **Risk and title**

- 7.1 Risk in the Product shall pass to the Customer immediately on delivery to the Customer or into custody on the Customer's behalf whichever is the sooner.
- 7.2 Notwithstanding delivery and the passing of risk, property in and title to the Product shall remain in the Company until the Company has received payment of the full price of all the Product the subject of the Contract and all other amounts owed by the Customer to the Company under any contract whatsoever.
- 7.3 Until property in and title to the Product passes to the Customer:
- 7.3.1 the Customer shall keep the Product properly stored, protected and insured and separate from all or any other goods whether belonging to the Company the Customer or any third party;
- 7.3.2 the Company shall be entitled at any time forthwith to revoke the Customer's power to deal with the Product and it shall automatically cease if the Customer shall commit or be subject to any Act of Insolvency; and

- 7.3.3 the Customer shall not make any modification to the Product or their packaging or alter remove or tamper with any marks, numbers or other means of identification used on or in relation to the Product.
- 7.4 Upon termination of the Customer's power to deal with the Product, the Customer shall place the Product at the disposal of the Company and the Company and its servants and agents are hereby irrevocably authorised without the need for consent of any third party but using only such force as may be necessary, to enter upon any premises of the Customer or any third party for the purposes of removing the Product.
- 7.5 If any of the foregoing provisions of this Agreement shall be invalid or unenforceable such invalidity or unenforceability shall not affect the remaining provisions.
- 8. Export Terms**
- 8.1 Any term or expression which is defined in the provisions of Incoterms 2000 (or any subsequent revision thereof) shall import the respective obligations of Buyer and Seller into these Conditions, but in the event of conflict these Conditions shall prevail.
- 8.2 Where the Product is supplied for export from the United Kingdom, the provisions of this clause shall (subject to any special terms agreed in writing between the Company and the Customer) apply notwithstanding any other provision of these Conditions.
- 8.3 Unless otherwise agreed in writing between the Company and the Customer, the Product shall be delivered ex-the Company's works at Malpas, Cheshire as will be specified by the Company, and the Company shall be under no obligation to give notice under section 32(3) of the Sale of Goods Act 1979.
- 8.4 The Company shall have no liability for any claim in respect of any defect in the Product which is made after shipment, or in respect of any damage during transit.
- 8.5 Payment of all amounts due to the Company shall be made by irrevocable letter of credit opened by the Customer in favour of the Company and confirmed by a bank in England acceptable to the Company or, if the Company has agreed in writing on or before acceptance of the Customer's order to waive this

requirement, by acceptance by the Customer and delivery to the Company of a bill of exchange drawn on the Customer payable 60 days after sight to the order of the Company at such branch of Bank of Scotland Plc in England as may be specified in the bill of exchange.

**9. Use of Information**

**9.1** The Customer undertakes to use any Confidential Information relating to the Product solely for the purposes of the Contract and shall not use it for its own purposes nor for the purposes of any third party.

**9.2** The Customer undertakes to keep and procure to be kept secret and confidential the Confidential Information disclosed as a result of the relationship of the parties under the Contract or otherwise becoming known to the Customer in the performance of the Contract and shall not use nor disclose the same as envisaged in these Conditions to any third party save with the express prior written authority of the Company and subject to the disclosee entering into obligations of confidentiality equivalent to those accepted by the Customer under these Conditions.

**9.3** The Customer shall not without the prior written consent of the Company copy or reproduce the Confidential Information in writing nor in any other medium, including without limitation, audio tape, video tape and computer disk, nor shall the Customer make any alterations to the Confidential Information.

**9.4** The Customer will take reasonable steps to ensure that its employees who receive or have access to any Confidential Information are aware of the terms of confidentiality contained in these Conditions and are bound by terms of confidentiality with the Customer to the same extent as the Customer is bound by these Conditions. The Customer will be liable in case of breach of the confidentiality obligations provided for in these Conditions by any of its employees and/or any third party to which the Customer discloses Confidential Information.

**10. Limitations**

- 10.1** The obligations of confidentiality under these Conditions shall not extend to any fact or matter which the Customer can show:
- 10.1.1 is in or enters the public domain other than by reason of a breach by the Customer of these Conditions or any unauthorised disclosure;
  - 10.1.2 was in the Customer's written records prior to its disclosure hereunder;
  - 10.1.3 was disclosed to the Customer by a third party independently entitled to disclose it;
  - 10.1.4 is required by law or other governmental authority to be disclosed provided always that the Customer shall notify the Company of any such request or order for disclosure.
- 10.2** The obligations of confidentiality set out in these Conditions shall bind the Customer for so long as some part of the Confidential Information is secret or confidential.

**11. Intellectual Property Rights**

- 11.1** All Intellectual Property Rights in the Product are vested in the Company.
- 11.2** The Customer shall affix all copyright and other notices which the Company requires on the Product and the Customer will claim no Intellectual Property Rights in respect of the Product.
- 11.3** The Customer shall not tamper with any trade marks on the Product or upon any packaging or containers nor alter the Product in any way.
- 11.4** Where the Customer disposes or lends the Product to a third party, the Customer shall notify the purchaser that the Product is a proprietary product, the Intellectual Property Rights in which are vested in the Company.
- 11.5** If any claim is made against the Customer that the Product infringes or that its use or resale infringes the patent, copyright, database right, design right, registered design, trade mark or other industrial or intellectual property rights of any other person or any claim is made in respect of passing off or unauthorised use of Confidential Information in relation to the Product and/or its use or resale

the Customer shall forthwith notify the Company in writing and the Company shall be given full control of any proceedings or negotiations in connection with any such claim. The Customer shall give the Company all reasonable assistance for the purposes of any such proceedings or negotiations and except pursuant to a final award, the Customer shall not pay or accept any such claim, or compromise any such proceedings without the consent of the Company (which shall not be unreasonably withheld). The Customer shall do nothing which would or might vitiate any policy of insurance or insurance cover which the Company may have in relation to such infringement.

**11.6** If the Product is to be manufactured or any process is to be applied to the Product by the Company in accordance with a specification submitted by the Customer, the Customer shall (without prejudice to the other rights and remedies of the Company) indemnify the Company in full against all loss, costs, damages, charges, expenses and other liabilities awarded against or incurred by the company as a result of or in connection with:

11.6.1 any claim for infringement of any patent, copyright, database right, design right, registered design, trade mark or other industrial or intellectual property rights of any other person and/or for passing off and/or unauthorised use of Confidential Information which results from the Company's use of the Customer's specifications;

11.6.2 any other liability of any kind to any third party including without limitation for a defective Product, personal injury or death to the extent that it arises from the specification.

## **12. Liability**

**12.1** The Company shall:

12.1.1 make good at its option by reimbursement for the whole or part of the price (and, where relevant, as a deduction from any part of the price remaining unpaid) or by repair or by replacement any defect developing under normal use in the Product and due solely to faulty design (except where the design is supplied by or on behalf of the Customer) materials and/or workmanship;

12.1.2 make good reimbursement of the price or by reperformance of the Services any defective workmanship in the performance of Services;

provided that:

12.1.3 any such defect in design materials workmanship shall have appeared within 60 days after delivery and shall have been thereupon promptly notified to the Company in writing;

12.1.4 the Company shall be under no liability in respect of any defect in the Product arising from any drawings, design or specification supplied by the Customer;

12.1.5 any Product alleged to be defective is promptly made available to the Company for inspection and, if so required by the Company, is promptly returned at the Customer's risk and expense to the Company's works for inspection;

12.1.6 The Company shall be under no liability in respect of any defect arising from fair wear and tear, or other acts of the Customer including without limitation wilful damage, negligence, lack of proper maintenance or servicing, abnormal working conditions, failure to follow the Company instructions (whether oral or in writing), misuse or alteration or repair of the Product without the Company's approval; and

12.1.7 The Company shall be under no liability until any monies due from the Customer under the Contract have been paid in full;

**12.2** Provided that nothing in this Clause shall operate so as:-

12.2.1 to exclude the Company non-excludable liability in respect of death or personal injury caused by the negligence of the Company its servants or agents;

12.2.2 to exclude the application of Section 12 of the Sale of Goods Act 1979;

12.2.3 to exclude liability for fraudulent misrepresentation.

**12.3** The Company shall not be liable to the Customer in contract tort (including without limitation negligence) and/or breach of statutory duty for any loss or damage which the Customer may suffer by reason of any act, omission, neglect or default (including negligence) in the performance of the Contract by the Company its servants or agents, in a sum which is greater than the Contract price.

**12.4** The Company shall not be liable to the Customer in contract tort (including without limitation negligence) and/or breach of statutory duty for any loss of profits and/or loss of production or any indirect or consequential (including economic) loss of any kind which the Customer may suffer by reason of any act, omission, neglect or default (including negligence) in the performance of the Contract by the Company, its servants or agents.

**13. Waiver**

The waiver by either party of any breach of any provision of these Conditions shall not prevent the subsequent enforcement of that provision and shall not be deemed to be a waiver of any subsequent breach of that or any other provision.

**14. General**

**14.1** It shall be the responsibility of the Customer to ensure that all requirements applicable to the Contract, whether statutory, regulatory, municipal and/or otherwise howsoever, (including without limitation any relating to the importation or use of the Products in the country of destination and for the payment of duties thereon) are duly complied with. It shall be a condition precedent to the performance by the Company of its obligations under the Contract that all necessary licences, permits and consents shall have been obtained by the Customer.

**14.2** Without prejudice to the generality of Condition 14.1 the obtaining of any relevant exchange control consents shall be a condition precedent to the performance by the Company of any of its obligations under the Contract.

**14.3** Neither party shall have any liability for any failure to perform or for any delay in the performance (other than as to payment) of any of its obligations under the Contract caused by any factor beyond its reasonable control.

The rights and remedies of the Customer in respect of the Contract shall not be diminished, waived or extinguished by the granting of any indulgence,

forbearance or extension of time by the Company to the Customer not by any failure of or delay by the Company in ascertaining or exercising any such rights or remedies. Any release, waiver or compromise or any other arrangement of any kind (a release) by the Company shall not affect its rights and remedies as regards any other party not its rights and remedies against the Customer in whose favour it is granted or made except to the extent of the express terms of the release and no such release shall have effect unless granted or made in writing. The rights and remedies in this Contract are cumulative and not exclusively of any rights and/or remedies provided by law.

- 14.4** The Contract is personal to the Customer and the Customer shall not assign, transfer or charge or otherwise dispose of its rights and responsibilities under the Contract without the prior written consent of the Company.
- 14.5** The provisions of the Conditions are severable and distinct from one another, and, if at any time any of the provisions is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions shall not in any way be affected or impaired.
- 14.6** The headings in these Conditions are for convenience only and do not affect the interpretation of the Contract.
- 14.7** The Conditions and the Contract shall not constitute and shall not be deemed to constitute a partnership between the Company and the Customer and the Customer shall not act nor purport to act as agent for the Company but solely as an independent contractor. Any of the Product currently supplied to the named customer shall remain the property of the Company until a further financial contract is agreed and the monetary status of both parties is arrived at.

All notices under this Contract shall be in writing and may be served by post or facsimile transmission addressed to the other party(ies) at the address given in this Contract or at such other address as a party shall from time to time by notice in writing give to the other party(ies) for the purpose of service of notices under this Contract and every such notice shall be deemed to have been served by post at the expiration of 2 days after despatch of the same or is sent by facsimile transmission at ten hours local time on the next normal Business Day of the recipient following despatch and in proving service it shall be sufficient to show in the case of a letter that the same was duly addressed prepaid and posted in the manner provided and in the case of a facsimile transmission a transmission report

that it was transmitted to the correct telephone number. Saturdays, Sundays and Bank Holidays shall not in any event be treated as days on which service is effected, and service shall be deemed to take place on the next normal Business Day of the recipient.

**15.**

**15.1** The Contract shall be governed by English Law.

**15.2** The parties irrevocably submit to the exclusive jurisdiction of the English Courts, save in the case of a Customer who has no assets within the jurisdiction of the English Courts and who is established in a country which will not enforce the judgement of the English Courts. In those circumstances the Company may if it chooses refer any disputes arising out of the Contract to arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce, such arbitration to take place in London and the language of the arbitration shall be English.

**16. Third Party Rights**

For the avoidance of doubt nothing in these Conditions shall confer on any third party any benefit or the right to enforce any provision of these Conditions.