

TERMS & CONDITIONS

1.0 Project Costs

- 1.1 Project costs are costs, exclusive of VAT, for the estimated time required by Sherry Design Ltd staff members in connection with the various phases included herein. Fee amounts are shown in the attached proposal.
- 1.2 If the scope of the project changes, or the client requests additional services, Sherry Design Ltd reserves the right to modify costs and timescales, accordingly.
- 1.3 Sherry Design Ltd will invoice equal monthly payments over the planned life of the project. Sherry Design Ltd reserves the right, if the duration of the project is less than four weeks, to invoice at the start of the project. Where the total value of the contract exceeds £100,000, Sherry Design Ltd will invoice 10% of the total contract price on commencement of the project and successive invoices as agreed above.
- 1.4 The prices given in this proposal will remain fixed (subject to the scope of the work involved remaining unaltered) for a period of three months from the date of this proposal. Any time after this, Sherry Design Ltd reserves the right to increase the prices given depending on the length of time that has elapsed between the date of this proposal and its acceptance. If the time-scale (where specified) or in the case of the above paragraph, the revised time-scale, for the execution of the work outlined in this proposal should be extended due to external or internal circumstances dictated to or influenced by the client, Sherry Design Ltd reserves the right to re-quote.

2.0 Outside Supplier Costs

- 2.1 Outside supplier costs incurred in connection with a project are not included in the project cost unless otherwise stated. Typical outside supplier costs include but are not limited to, mock-ups, typography, photography, reference and presentation materials, copywriting and translation services, reproduction of documents, shipping, consumer research and laser prints. If the required, an estimate of outside supplier costs may be included in the attached proposal.
- 2.2 If the scope of the project changes, or additional services requiring additional outside supplier costs are requested by the client, Sherry Design Ltd will notify the client of any changes to the estimate as the project proceeds. If postponed, or modified, Sherry Design Ltd shall be entitled to revise fees.
- 2.3 Sherry Design Ltd reserves the right to charge for additional unforeseen costs incurred as a result of statutory amendments to rates of pay, taxes and duties or other circumstances outside the control of Sherry Design Ltd. If such increase exceeds 10% of the fees, the client within 7 days of receipt shall be entitled to cancel the project but shall be liable for all losses/charges already committed or incurred.

- 2.4 At the start of each phase, Sherry Design Ltd will invoice 50% of the estimated outside supplier costs for that phase. The balance of the costs will be invoiced as they are incurred during the course of that phase.

3.0 Out of Pocket Expenses

- 3.1 Out of pocket expenses incurred in connection with a project are not included in the project costs. Out of pocket expenses include hotel accommodation for meetings, subsistence and travel.
- 3.2 If the scope of the project changes, or additional services requiring additional out of pocket expenses are requested by the client these will be charged to the client.
- 3.3 Computerised listings of costs and expenses are maintained by Sherry Design Ltd. A summary of those listings will be included in the scheduled invoices. In the event the client requesting additional detailed documentation, a service charge will be assessed.

4.0 Value Added Tax

- 4.1 Where appropriate, value added tax will be charged on an invoice and will be identified separately.

5.0 Payment terms

- 5.1 All payments will be in pounds sterling and will be payable in the United Kingdom. The client agrees that if this contract involves services for an entity organised or existing outside the UK, or services to be rendered outside of the UK, that all payments to be made under this contract have been approved by all appropriate government foreign exchange control agencies and the client will immediately upon demand provide Sherry Design Ltd with evidence of such approval.
- 5.2 Sherry Design Ltd terms are strictly 30 days.
- 5.3 If any invoice remains unpaid for more than 30 days after invoice date, Sherry Design Ltd will be entitled to charge and the client shall pay interest on the sum outstanding at the rate of 4% per annum above the base rate of Royal Bank of Scotland from time to time in force from the date the monies first become due until the outstanding invoices are paid.

6.0 Cancellation/Termination

- 6.1 Either party may terminate this contract upon 30 days written notice. During such 30-day period, this contract will remain in full force and effect. Upon the termination of this agreement, there shall be no further or additional liability upon either party for payments or services beyond the effective date of termination. However, such termination shall not relieve the client of its obligation to pay Sherry Design Ltd the project costs for all services rendered, as well as costs, expenses and amounts due to

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Sherry Design Ltd up to the effective date of termination. In addition, the client will be responsible for all contracts with third parties that cannot be cancelled, which have been entered into by Sherry Design Ltd on the client's behalf pursuant to the contract. On the effective date of termination, Sherry Design Ltd shall deliver to the client all property in its possession that belongs to the client.

7.0 General

7.1 Client approvals. Where the client has approved proofs of work created or prepared by Sherry Design Ltd, in whatever medium, the client will accept all responsibility for any errors, inaccuracies or other defects in such proofs.

7.2 Application of Sherry Design Ltd's work. The client agrees that it will take responsibility for the ultimate successful application of the work produced by Sherry Design Ltd in obtaining research results of trading figures.

7.3 Client property. Sherry Design Ltd will take all responsible steps to prevent loss or damage to the client's property while in the possession of Sherry Design Ltd. It will remain at all times the responsibility of the client to insure its property. In the absence of negligence on the part of Sherry Design Ltd, no liability is accepted for any form of damage to or loss of client property.

7.4 Indemnity. The client will indemnify Sherry Design Ltd fully in respect of any claims, charges, losses or other damages either direct or indirect that may be suffered by Sherry Design Ltd in connection with any work produced by Sherry Design Ltd to the order of the client and with the approval of the client.

7.5 The liability of Sherry Design Limited for any claim by the client is limited to the amount of the total contract price actually paid by the client.

7.6 Jurisdiction. This agreement and these terms shall be construed and governed by the Laws of England. The following applies to all Sherry Design Ltd proposals.

8.0 Security

8.1 Every effort will be made to maintain the strictest confidence concerning any material, plans or policies divulged to Sherry Design Ltd in the course of its relations with a client.

9.0 Design rights

9.1 The design, name, mark or other tangible material in final form (whether delivered in electronic or reflective form) that is approved by a client and selected for its use will be the exclusive property of that client. All other designs, names, marks and material developed in the course of the project shall remain the property of Sherry Design Ltd, as is customary in the profession. The client's ownership of legal rights in the final form of the item it selects is exclusive to the extent provided by applicable national

and international laws and treaties. If the client provided Sherry Design Ltd with any material which Sherry Design Ltd incorporates into its work for the client the client shall indemnify Sherry Design Ltd fully, and hold Sherry Design Ltd harmless, against all losses, liabilities, costs and expenses which Sherry Design Ltd may incur in respect of any claim that the material so provided infringes a third party's legal rights. Further, in the event of a claim being made against the client in respect of infringement of a third party's rights in material which has been provided to Sherry Design Ltd by the client, the client agrees that it will not seek to make any recovery financial loss nor bring any action or other third party proceedings against Sherry Design Ltd in connection with such claim. Legal protection and appropriate registration of a design, name, mark or other material developed by Sherry Design Ltd is the client's sole responsibility and should be done promptly after final approval to preserve such rights.

10.0 Protection of designs, marks etc

10.1 The designs, names, marks and materials created by Sherry Design Ltd are believed not to infringe upon the rights of others. However, Sherry Design Ltd cannot warrant that its clients will be immune from claims of others due to the complexity of the laws and regulations governing such rights and the virtual impossibility of searching names and designs worldwide. It is recommended that clients consult their own legal counsel as to both availability and registerability of the proposed designs, names and marks and other materials as soon as those items are finally approved. If the client's availability search determines that the name or design created by Sherry Design Ltd and selected by the client is not legally available, the client shall have the right to go back to the other alternatives developed by Sherry Design Ltd and select another name or design for the client's exclusive use.

11.0 Publicity

11.1 The services of Sherry Design Ltd are available to prepare publicity on completed design projects including development of releases, contact with editors and supervision of photography. Collaboration in preparation of releases is also available to the client's public relations department or its advertising agency. Sherry Design Ltd will charge a fee for these services, based on time spent and costs incurred. In any case, Sherry Design Ltd requests the privilege of reviewing the part of any release that deals with its design programmes.

12.0 Pitch costs

12.1 If proposals, recommendations or detailed specifications for the same project are being obtained from more than three design agencies, the Client undertakes to inform Sherry Design Ltd, who reserve the right to make a nominal charge for the work involved.