

General

These are the general terms, delivery and payment conditions of Lila Design Associates B.V. (Besloten Vennootschap) with trade name Lila Design, which has its administration address at the: Krabbendamstraat 27, 5045 SH Tilburg, The Netherlands. Tel. +31 13 5718191, Facsimile +31 13 5719307, E-mail info@liladesign.com, http://www.liladesign.com.

Article 1. Agreement, offer and confirmation

1.1 Applicability of General Terms and Conditions

These General Terms and Conditions shall apply to the making, the content and the performance of all agreements between the client and Lila Design Associates B.V.

1.2 Offers

All offers made by Lila Design Associates B.V. shall be entirely without commitment. Prices quoted may be subject to change owing to unforeseen changes in the work.

1.3 Written confirmation

Commissions are to be confirmed by the client in writing. If the client fails to do so, yet does assent to Lila Design Associates B.V. commencing the work commissioned, the terms of the offer shall be deemed to have been agreed. Any subsequent oral agreements and stipulations shall not be binding on Lila Design Associates B.V. until after they have been confirmed in writing by Lila Design Associates B.V.

1.4 Several designers/design agencies

Where the client wishes to commission a particular work from several designers/design agencies concurrently he shall so inform Lila Design Associates B.V., stating the names of the other designers/design agencies. If the client has previously commissioned an identical work from another designer/design agency, he shall give the name of the designer/design agency concerned.

Article 2. Performance of the agreement

2.1 Execution of work commissioned

Lila Design Associates B.V. shall make every effort to carry out the work commissioned carefully and independently, to promote the client's interests to the best of its ability and to achieve a result fit for the purpose for which the client intends to use it. To such extent as necessary Lila Design Associates B.V. shall keep the client advised of the progress of the work.

2.2 Supply of data

The client shall be required to do all such acts and things as are reasonable needed or desirable to enable Lila Design Associates B.V. to effectuate punctual and proper delivery, in particular by supplying in good time complete, sound and clear data or materials.

2.3 Requests for other supplier's quotations

If at the client's request Lila Design Associates B.V. provides an estimate of costs of third parties such estimate shall be an approximation only. If wished Lila Design Associates B.V. may on the client's behalf obtain quotations from third parties.

2.4 Use of other suppliers

Unless otherwise agreed, instructions to third parties to be given in the context of executing the work commissioned shall be given by or on behalf of the client. At the client's request Lila Design Associates B.V. may act as agent at the client's expense and risk. The parties may agree a specific fee for such services. If for the purposes of executing the work commissioned Lila Design Associates B.V., by expressly agreed arrangement, shall at his/its own expense and risk procure goods or services from third parties for the client's benefit, the terms in such third parties' general conditions relating to permitted variations in the quality, quantum and properties of such goods or services shall also apply to the client.

2.5 Publication and reproduction

Prior to production, reproduction or publication each party shall give the other the opportunity to check and approve the final draft, prototype or proof of the design. If so requested by Lila Design Associates B.V. the client shall confirm his approval in writing.

2.6 Term of delivery

Any term stated by Lila Design Associates B.V. for completing the design shall be an approximation, unless the nature or provisions of the agreement show otherwise. Even if a specific term for completion has been stated, Lila Design Associates B.V. shall not be in default unless and until by letter sent by recorded delivery the client has given notice of default and Lila Design Associates B.V. has failed to remedy his/its default within the reasonable term for specific performance set in that notice of default.

2.7 Tests, licences and statutory requirements

The work which Lila Design Associates B.V. is commissioned to do shall not include running tests, applying for licences and assessing whether the client's instructions meet applicable statutory requirements.

2.8 Any complaints to Lila Design Associates B.V. are to be made in writing at the earliest possible time but no later than within ten working days after completion of the work commissioned.

Article 3. Intellectual and other property rights

3.1 Copyright and industrial property

Unless otherwise agreed between the parties in writing, all intellectual and industrial property arising from the work commissioned - including copyright, design rights and patent rights - shall vest in Lila Design Associates B.V. If any of such rights as aforesaid can be acquired only by registration, Lila Design Associates B.V. shall have to sole and exclusive power to effectuate such registration.

3.2 Search for the existence of rights

Unless expressly agreed in writing, the work commissioned shall not include conducting the search for the existence of patent rights, trademark rights, drawing or design protection rights, copyright and portrait rights of third parties. The same applies to any

investigation into the possibility of such forms of protections for the client.

3.3 Reference to designer's name

Unless the work is not suitable for that purpose, Lila Design Associates B.V. shall at all times be entitled to have his/its name imprinted on or in or removed from the work. Without prior authorisation the client shall not be permitted to take the work into production or to publish or reproduce the work without identifying Lila Design Associates B.V. by name.

3.4 Property in Lila Design Associates B.V.

All working drawings, prototypes, scale models, templates, design sketches, films and other materials or (electronic) data files made by Lila Design Associates B.V. in the course of executing the design shall remain the property of Lila Design Associates B.V., irrespective of whether the same have been released to the client or to third parties.

Article 4. Use and license

4.1 Use

When and provided that the clients fulfils all his obligations under the agreement with Lila Design Associates B.V. he shall acquire an exclusive license to use the design solely for purposes of publication and reproduction as such purposes were agreed when the work was commissioned. If no specific purposes as aforesaid have been agreed the license shall be limited to that manner of use of the design on which firm intentions existed on the date when the work was commissioned. Such intentions must have been verifiably stated to Lila Design Associates B.V. prior to the making of the agreement.

4.2 Broader user

Without the approval of Lila Design Associates B.V. previously obtained in writing the client shall not be entitled to reemploy the design to broader use of the design than as agreed. For any use of the design for which no approval has been given Lila Design Associates B.V. may, entirely without prejudice to its other rights, charge of fee of at least three times the customary fee for such use, with a minimum of EUR 1075.

4.3 Alterations

Without the approval of Lila Design Associates B.V. previously obtained in writing the client shall not be permitted to make any alterations in the provisional or final design.

4.4 Own promotion

Lila Design Associates B.V. shall be at liberty to use the design for his/its own publicity or promotion.

Article 5. Fee

5.1 Fee and additional costs

In addition to payment of the agreed fee, Lila Design Associates B.V. shall also be entitled to be reimbursed for the costs incurred by it in the execution of the work commissioned.

5.2 Fee for additional work

If as result of complete, sound and clear data and/or materials not having been supplied on time or not having been supplied at all, or as a result of altered or incorrect instructions or briefing Lila Design Associates B.V. is required to do more or other work, payment for such additional work shall be charged separately on the basis of the scale of fees customarily applied by Lila Design Associates B.V.

5.3 Audit

If the remuneration to be paid is in any way contingent upon events or conditions which are to appear from the client's record of account, Lila Design Associates B.V. shall be entitled upon receiving a statement of account from the client to have the client's records of account audited by a chartered accountant. If such audit shows that the client's statement is inconsistent with the actual facts and figures the client shall be required to pay the costs of the audit, entirely without prejudice to any of Lila Design Associates B.V.'s rights.

Article 6. Payment

6.1 Obligation of payment

Payments of clients are to be made within 30 days of the date of invoice. If upon the expire of this term Lila Design Associates B.V. has not received payment (in full), the client shall be in default and shall be charged interest at the statutory rate. All costs incurred by Lila Design Associates B.V. in connection with late payments, such as costs of litigation and legal assistance, including sums not awarded by a court of law, and judicial and extrajudicial costs of collection, shall be for the client's account, save for the costs of litigation and legal assistance if as the unsuccessful party Lila Design Associates B.V. is ordered to pay the costs of the action. The extrajudicial costs shall not be less than 10% of the invoice amount, with a minimum of EUR 100. Lila Design Associates B.V. shall have the right to bill the client at monthly intervals for labour performed and costs incurred in the course of executing the work commissioned.

6.2 Cessation of license

In the event that the client fails to honour his debts (in full) or otherwise in default of fulfilling his obligations under the agreement, then as from the moment of such default of fulfilling his obligations under the agreement, then as from the moment of such default the client shall no longer be permitted to use the design supplied to him and each or any licence given to the client under the agreement shall cease to operate.

Article 7. Cancellation and termination of agreement

7.1 Cancellation of agreement by client

If the client cancels the agreement he shall be required to pay, in addition to compensation, Lila Design Associates B.V.'s fee and

costs incurred in respect of the work carried out until the date of cancellation.

7.2 Termination of agreement by Lila Design Associates B.V.

If the agreement is terminated by Lila Design Associates B.V. by reason of the client's culpable failure to perform the agreement, the client shall be required to pay, in addition to compensation, Lila Design Associates B.V.'s fee and costs incurred in respect of the work carried out until the date of termination. In this connection any conduct by the client on the ground of which Lila Design Associates B.V. cannot reasonably be required to complete the work commissioned shall also be considered a culpable failure to perform the agreement.

7.3 Compensation

The compensation referred to in the preceding two paragraphs of this article shall comprise at least the costs arising from obligations which Lila Design Associates B.V. has in its own name contracted with third parties for the purposes of executing the work commissioned, as well as 25% of the balance of the fee which the client would owe to Lila Design Associates B.V. if the work commissioned were fully completed.

7.4 Insolvency

Lila Design Associates B.V. as well as the client shall have the right to terminate the agreement, in whole or in part, with immediate effect in the event that the other party is adjudged bankrupt or, if a body corporate, goes into compulsory liquidation, or by court order is granted a moratorium (suspension of payments).

7.5 Use of designs after premature termination

If for any reason whatsoever the agreement is terminated prematurely the client shall not be permitted to use (or continue to use) the designs supplied to him and each or any licence given to the client under the agreement shall cease to operate.

7.6 Continuing contracts

If the work of Lila Design Associates B.V. consists of recurrently performing work of a similar nature, then unless otherwise agreed in writing the agreement concerned shall be for an indefinite period of time. Such agreement may be terminated only by written notice given due observance of a reasonable term of notice of not less than three months.

Article 8. Warranties and indemnity

8.1 Copyright owner

Lila Design Associates B.V. warrants that the design supplied to the client has been made by it or on its behalf and that if the design is protected by copyright Lila Design Associates B.V. is the author thereof in the terms of the Auteurswet (Copyright Act) and as copyright owner has the power of disposition of the work.

8.2 Indemnity for claims relating to use of design

The client shall indemnify Lila Design Associates B.V. as well as persons employed by Lila Design Associates B.V. in the execution of the work commissioned against any claim or action by third parties arising from the application or use of the design created by Lila Design Associates B.V. or persons as aforesaid.

8.3 Materials and information supplied by the client

The client shall indemnify Lila Design Associates B.V. against any claim or action relating to intellectual property rights in materials or information supplied by the client and used in the execution of the work commissioned.

Article 9. Liability

9.1 Liability

Lila Design Associates B.V. cannot be held liable for:

- a. faults in materials which the client has supplied;
- b. misunderstandings or errors in respect of the performance of the agreement if the cause of such misunderstandings or errors lies in acts or omissions of the client, such as in a case where complete, sound and clear information and/or materials have not been supplied on time or not at all;
- c. errors by third parties employed by or on behalf of the client;
- d. faults in offers made by suppliers, or prices quoted by suppliers being exceeded;
- e. faults in the design or errors in the text/data if in accordance with the provisions of article 2.5 the client has given his approval or has had the opportunity to carry out a check and has declined to make such check.

9.2 Limitation of liability

Save in the event of wilful acts or gross negligence by the designer or the management of the design agency the liability of Lila Design Associates B.V. for damage or loss arising from an agreement or any wrongful act committed against the client shall be limited to the amount of EUR 45,454 or the agreed amount of the fee, whichever is the higher.

9.3 Termination of liability

Any and all liability shall cease upon the expiry of twelve months from the date of completion of the work commissioned.

9.4 Copies of materials

Where reasonably possible the client shall be required to retain copies of materials and data he has supplied until the work commissioned has been completed. If the client fails to do so Lila Design Associates B.V. cannot be held liable for any damage or loss which would not have occurred if such copies had existed.

9.5 No obligation to retain materials and data

After completion of the work commissioned neither the client nor Lila Design Associates B.V. shall have an obligation to one another to retain any of the materials and data used.

Article 10. Other terms

10.1 Transfer or assignment to third parties

The client shall not be permitted to transfer or assign to third parties any of the rights under an agreement made with Lila Design Associates B.V., save in the event and as part of a transfer of the whole of the client's business.

10.2 Confidentiality

Both parties shall be required to treat as strictly confidential all facts and circumstances relating to the other party of which they gain knowledge within the context of the work commissioned. The same duty of confidentiality in respect of such facts and circumstances shall be imposed on third parties who may be employed in the execution of the work commissioned.

10.3 Headings

The headings used in these General Terms, Payment- and and Delivery Conditions serve for orientation purposes only and do not constitute part of these Terms and Conditions.

10.4 Netherlands law

The agreement between Lila Design Associates B.V. and the client shall be governed by the law of the Netherlands. The court which has the power to hear and decide on any dispute between Lila Design Associates B.V. and the client shall be the court having jurisdiction in the district where Lila Design Associates B.V. has its administration office.

These conditions of Lila Design Associates B.V. are agreed by the statutory owners, Jeanneke Liebrechts and Norbert Lambriex:

A.M.J. Liebrechts, Jeanneke

Tilburg, 20 June 2008

N.J.M. Lambriex, Norbert

Tilburg, 20 June 2008

Lila Design Associates B.V.

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The conditions of Lila Design Associates B.V. are filed at the Chamber of Commerce Brabant under HR-number 180592700000.

Chamber of Commerce "Brabant"

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