

STANDARD TERMS AND CONDITIONS

1. Definitions

"2 entertain" means 2 entertain Management Limited, 2 entertain Video Limited (formerly Video Collection International Limited) Demon Music Group Limited and Banana Split Productions Limited and all their relevant officers, servants and/or agents; "The Contract" means these Purchase Conditions and the Purchase Order; "The Contract Period" shall be as defined in Clause 4; "The Contract Price" means the price as specified in the Purchase Order; "The Facilities" means any facilities to be provided by the Supplier pursuant to the description in the Purchase Order; "The Goods" means any item(s) to be constructed, manufactured or provided by the Supplier pursuant to the description in the Purchase Order or in the case of Services the physical product(s) of the Services; "The Purchase Order" means the purchase order and/or other documentation detailing the Goods, Facilities and/or Services; "The Services" means any services to be provided by the supplier pursuant to the description in the Purchase Order (which will include where appropriate any equipment/materials provided by the Supplier to perform the Services); "The Supplier" shall be the organisation or individual responsible for providing the Goods, Facilities and/or Services and shall include all its relevant officers, servants and/or agents.

2. Existence of Contract

The Contract shall prevail at all times to the exclusion of all other terms and conditions including any terms and conditions which the supplier may purport to apply and the provision of the Goods, Facilities and/or Services shall be deemed conclusive evidence of the Supplier's acceptance of the Contract.

3. Good Faith/Outside Activities

The Supplier shall act in good faith towards 2 entertain and shall not bring 2 entertain into disrepute nor, without the prior consent of 2 entertain, make any reference to it in association with any advertising or other promotional material or write for publication or speak in public about 2 entertain or its affairs.

4. Contract Period

The Contract shall be completed in accordance with/by the date(s) specified in the Purchase Order, subject to Clause 15.

5. Contract Price/Payment

5.1 2 entertain shall pay to the Supplier the Contract Price plus VAT (if applicable) within thirty (30) days of receipt of a valid invoice(s) from the Supplier. Any invoice relating to more than one order number will not be accepted.

5.2 2 entertain reserves the right to withhold payment where the Goods, Facilities and/or Services have not been provided in accordance with the Contract and shall notify the Supplier accordingly.

6. Standard of Goods/Facilities/Services

6.1 The Supplier shall ensure that any Goods and/or Facilities conform as to both quantity and description as detailed in the Purchase Order, are of satisfactory quality and fit for their intended purpose, shall be equal in all respects to any samples previously supplied and/or are (as appropriate) of good construction, suitable and sound material and adequate strength.

6.2 The Supplier shall be competent to fulfil its obligations under the Contract (which includes having relevant experience, training and/or qualifications), under proper care, skill and diligence and the best workmanship whilst discharging its obligations under the Contract, execute the Contract in a timely and professional manner and hold any licence, permit and/or certificate required by law for the performance of the Contract.

7. Security/Access/Inspection

7.1 2 entertain reserves the right to request identification of the Supplier and conduct random security checks of its possessions and vehicle(s) whilst on or entering or leaving 2 entertain premises.

7.2 The Supplier shall give 2 entertain, at all reasonable times upon giving reasonable notice, access to the Supplier's premises or such other premises as 2 entertain may reasonably require for inspection of any Goods, Facilities and/or equipment/materials to be provided under the Contract.

8. Equipment Materials

8.1 The Supplier shall be responsible for the care, control, security, insurance and maintenance of any equipment/materials required by the Supplier in relation to the fulfilment of its obligations under the Contract and 2 entertain accepts no liability for loss or damage to the equipment/materials otherwise than in consequence of any negligence on the part of 2 entertain.

8.2 The Supplier shall not use any 2 entertain equipment/materials without the prior consent of 2 entertain.

9. Compliance

The Supplier shall comply with:

9.1 all current relevant legislation, rules, regulations or codes relating to the Goods, Facilities and/or Services to be supplied, including but not limited to sale and supply of goods and services legislation and all applicable national and/or international technical standards and procedures.

9.2 health, safety, fire and environmental legislation and official Codes of Practice and guidance.

9.3 2 entertain health, safety fire and environmental requirements, Codes of Practice and guidance, details of which 2 entertain shall provide to the Supplier.

9.4 the standards of good ethical employment and environmental practice set out in the 2 entertain Ethical Policy Code of Practice ("2 entertain Ethical Policy") and the Supplier warrants that:

9.4.1 it has received a copy of the 2 entertain Ethical Policy; and

9.4.2 the Goods, Facilities and Services will be supplied in accordance with the 2 entertain Ethical Policy utilising acceptable environmental and labour practices and maintaining safe working conditions at all times and, in particular, that no child or prison labour will be utilised in the manufacture of the Goods, Facilities and Services.

10. Hire or Loan of Goods

Where the contract consists of the hire or loan of Goods 2 entertain shall be responsible to the Supplier for any accidental physical loss of or damage to the Goods whilst in the charge and control of 2 entertain provided that the Supplier notifies 2 entertain promptly upon any discovery of any such loss or damage.

11. Delivery of Goods

11.1 The Supplier shall ensure that the goods are kept in a proper, careful and secure manner at the Supplier's own risk and expense until the whole or any part thereof are delivered to 2 entertain, at the Supplier's own risk and expense, in accordance with the Purchase Order.

The Supplier shall ensure that the Goods are packed in such a manner as to reach 2 entertain in good condition, clearly labelled and accompanied by delivery notes specifying the quantity and type thereof and the relevant Purchase Order number. The Supplier shall, at its expense, remove all cases, boxes or other packaging from 2 entertain premises

11.2 Where the Contract consists of the sale of Goods ownership thereof shall vest in 2 entertain absolutely at such time as 2 entertain takes physical possession of the Goods unless the Contract is terminated pursuant to Clause 15 in which case ownership of any part of the Goods for which payment has been made under the Contract shall vest absolutely in 2 entertain at the time of termination.

11.3 Where any Goods are found by 2 entertain, upon delivery or subsequently, not to conform with the Contract, 2 entertain reserves the right to accept or reject the whole or any part

thereof and if rejected return the Goods to the Supplier at the Supplier's own risk and expense, such acceptance or rejection being without prejudice to any other remedy available to 2 entertain.

12. Third Party Liability and Insurance

12.1 The Supplier shall indemnify 2 entertain against any claim, cost, loss, damage and/or expense which 2 entertain may incur as a direct or indirect consequence of the negligence of the Supplier or the breach of its obligations under the Contract and the Supplier shall arrange and maintain Public Liability Insurance, and where applicable Product Liability Insurance, with an adequate indemnity limit which shall be no less than two million pounds sterling (£2,000,000) with the scope of cover appropriate to the Goods, Facilities and/or Services in respect of any one claim or incident.

12.2 The Supplier shall be responsible for insuring any equipment such as motor vehicles or mobile plant provided by the Supplier to perform the Contract against loss or damage and liabilities to third parties and anyone carried in or on such equipment.

13. Clearance of Third Party Rights/Copyright

13.1 The Supplier shall obtain all necessary consents, permissions and/or clearances from third parties (whether in respect of copyright, trade mark, patent or other intellectual property rights or otherwise) so that 2 entertain shall be entitled to use the Goods or Facilities provided or the result of the Services without liability to any third party and the Supplier shall indemnify 2 entertain against any actions, claims, costs, damages, demands or expenses brought against, suffered or incurred by 2 entertain arising from any breach or non-observance by the Supplier of its obligations under the sub-clause.

13.2 The Supplier hereby assigns to 2 entertain absolutely and warrants that all Supplier's relevant officers, servants and/or agents have assigned to the Supplier absolutely the complete copyright in any Goods in all languages throughout the Universe for the full period of copyright (including all rights to renewal and extensions thereof).

13.3 The Supplier hereby assigns to 2 entertain the unlimited right to edit, copy, alter, add to, take from, adapt or translate any Goods and with regard to those Goods the Supplier hereby waives irrevocably and warrants that all the Supplier's relevant officers, servants and/or agents have waived irrevocably the benefits of any provision of law known as "moral rights" (including without limitation any right of the Supplier, its officers, servants and/or agents under sections 77 to 85 inclusive of the Copyright, Designs and Patents Act 1988 or any similar laws of any jurisdiction).

14. Confidentiality

Except where necessary on a "need to know" basis, the Supplier shall keep confidential any information communicated in confidence or relating to the business of the 2 entertain and which is obtained as a result of its relationship with the 2 entertain under the Contract.

15. Termination

15.1 Where 2 entertain considers that the Supplier has failed to perform in part or in whole its obligations and the failure is in the reasonable opinion of 2 entertain capable of remedy 2 entertain shall notify the Supplier thereof and the Supplier shall use its best endeavours to remedy the failure. If the failure is not remedied by the Supplier to the satisfaction of 2 entertain within the period specified by 2 entertain, 2 entertain may remedy the failure and recover the cost thereof from the Supplier and/or terminate the Contract under sub-clause 15.2.

15.2 Notwithstanding sub-clause 15.1 above, 2 entertain may terminate the Contract with immediate effect in writing if:

15.2.1 there has been a material breach by the Supplier of its obligations under the Contract; or

15.2.2 the Supplier commits an act of bankruptcy, or makes any composition or arrangement with its creditors, or goes into liquidation whether voluntary or compulsory, or if any order is made or a resolution is passed for the winding up of the Supplier, or if it ceases or prepares to cease trading, or if it suffers the appointment of a receiver or administrator of the whole or part of any of its assets; or

15.2.3 there is a change of control of the Supplier. For the purposes of this sub-clause 15.2 "control" means the ability to direct the affairs of the Supplier whether by virtue of contract, ownership of shares or otherwise howsoever; or

15.2.4 the continued performance thereof is prevented by reason of any event beyond the reasonable control of 2 entertain or the Supplier (any such occurrence being deemed an event of force majeure).

15.3 Termination of the Contract howsoever arising shall be without prejudice to any right of action accruing or already accrued to either party at the date of the termination.

15.4 Termination of the Contract howsoever arising shall not in itself give rise to a claim by the Supplier for damages or otherwise beyond a claim for payment due under the Contract up to and including the date of termination.

15.5 Upon termination of the Contract for whatsoever reason the Supplier shall promptly deliver up to 2 entertain at the Supplier's own risk and expense the whole or any part of any Goods for which payment has been made under the Contract up to and including the date of termination and any 2 entertain equipment/materials provided under the Contract. 2 entertain shall be deemed to have irrevocably all powers and authority to enter the Supplier's premises to recover and remove such items and recover the cost thereof from the Supplier.

16. Notices

Any notice required to be given pursuant to the Contract shall be in writing and sent either by, prepaid recorded delivery, registered post or telefacsimile transmission to 2 entertain or the Supplier at the address as specified in the Purchase Order and any such notice shall be deemed to have been received by the addressee at the time of delivery.

17. Waiver

The failure of either party to exercise or enforce any right conferred upon it by the Contract shall not be deemed to be a waiver of any such right or operate so as to bar the exercise or enforcement thereof at any time(s) thereafter. No waiver of any term or condition of the Contract shall operate as a waiver of another or constitute a continuing waiver.

18. Assignment/Sub-contracting

The Supplier shall not assign, sub-licence, sub-contract, transfer or otherwise dispose of any of its rights or obligations under the Contract to any third party.

19. No Agency, Partnership or Joint Venture

Nothing in the Contract shall be deemed to constitute either party as the agent of the other or create a partnership or joint venture between the parties.

20. Variation

Any amendment or variation to the Contract shall be made by prior written agreement between the parties.

21. Severability

The unenforceability of any single provision of the Contract shall not affect any other provision thereof.

22. Whole Contract

The Contract and any appendices and any documents referred to therein constitutes the entire understanding between the parties with respect to the subject matter thereof and supersedes all prior agreements, negotiations and discussions between the parties relating thereto.

23. Law

The Contract shall be construed in accordance with the laws of England and Wales and shall be subject to the exclusive jurisdiction of the English courts.