

PAI GROUP TERMS AND CONDITIONS OF PURCHASE

PAI, PAI Group, Vaughan Sound and Link AV are Trading Name of Vaughan Sound Installations Ltd. Reg 2194943.

Official Order Number must be quoted on all correspondence relating to orders.

Advice notes must be sent to the DELIVERY ADDRESS accompanying the goods on dispatch.

Invoices must be raised to Vaughan Sound Installations Ltd.

1. Definitions; agreed terms: The term "Buyer" means Vaughan Sound Installations Ltd. or any company that is a subsidiary, associated or an affiliate of, or is related to PAI Group. The term "Supplier" means any individual, corporation or other entity that is to perform, or provide the goods, under this Purchase Order ("PO"). The Company will only be bound by the PO if it is placed on the Buyer's official order form and duly signed by the Buyer's appointed purchasing representative. The term "goods" means all items, materials, equipment, labour or other services that are the subject of this purchase. The 'Contract' means (a) Where the supplier submits an offer to the Buyer, the seller's offer and the Buyer's unqualified written acceptance, (b) In all other cases, the Buyer's order and the Supplier's unqualified acceptance, together with in both instances, these Conditions and any documents incorporated in the Contract by express reference.

2. Conditions and acceptance of the PO: All orders are placed subject to the conditions set forth or referred to in this PO, which will apply notwithstanding and take precedence over any other conditions or terms appearing on any letter or other document issued by the Supplier, unless otherwise expressly agreed by the Buyer in writing.

3. Fixed Price: The price stated in this PO is a fixed price and will not be varied for any reason without the express consent in writing of the Buyer. The price includes all taxes to be paid at the point of delivery.

4. Delivery: Deliveries shall be made at Supplier's expense to Buyer's agreed site indicated on the PO. Receipt of the goods does not constitute final acceptance thereof. The Buyer will have the right to return non-satisfactory or non-required goods, with any resulting cost paid by Supplier.

5. Inspection: The Buyer or its representatives will have the right at all reasonable times, upon advance notice, to have access to the premises of the Supplier, its subcontractors or suppliers for the purpose of inspecting or testing the goods comprised in this PO during or after manufacture and may reject the goods or require the Supplier to make conforming goods if the goods do not conform with this PO. Inspection by the Buyer or its representative will not relieve the Supplier of any liability in respect of any defect. The Goods must conform to the quantity, quality and description as stated on the PO, be equal in all respects to samples, descriptions or specifications provided, if the purpose for which they are required is indicated in the PO, either expressly or by implication, be fit for that purpose and must conform to the applicable product legislation applicable at the time of purchase. If the Buyer's representative, as a result of the inspection or upon review of the goods when delivered, is of the opinion that the goods do not comply with the Contract or are unlikely on completion of manufacture he shall inform the Supplier in writing and the Supplier shall immediately take such steps as may be necessary to replace the Goods so rejected to the reasonable satisfaction of, and at no extra cost to the Buyer.

6. Packaging: Supplier warrants that the goods referred to in this PO will be correctly packaged. The Buyer will pay no packing charge unless specified in this PO. Goods that require special packaging or a particular way of handling must carry the appropriate markings on the packaging, allowing accident-free unloading to take place.

7. Independent Contractor: Supplier is an independent contractor and not an employee or agent of Buyer. Buyer disclaims any right to control the manner of performance by Supplier and Buyer will not control the manner of performance by Supplier.

8. Changes: Neither the Buyer or the Supplier shall be bound by any variation waiver or addition to these conditions or to the prices first quoted on the PO except as agreed by both parties in writing and signed on their behalf.

9. Penalty: If the Supplier fails to deliver all or any of the goods comprised in this PO within the time specified in this PO, Buyer at its option may claim a penalty, payment of 1% of the PO price per day of delay -an upper limit of 10%, except that a different percentage is agreed and included in this PO.

10. Warranty: Supplier warrants that the goods to be supplied to the Buyer hereunder will conform to the specifications, description and drawings, if any, set forth or referred to in this PO, that such goods will be free from defects in design, material and workmanship and that the goods are not subject to any lien or risk of forfeiture or eviction. Unless a longer period is specified by law or in a separate agreement between Buyer and Supplier, such warranties will extend for a period of eighteen (18) months from the receipt by the Buyer of the goods or one (1) year from the date of installation of such goods, whichever first occurs. For breach of any of the above warranties and in addition to all other remedies that the Buyer may have, Supplier, at its sole expense, will (a) replace the defective goods with conforming goods. Only in case that replacement is not feasible the Supplier will (b) repair the defective goods or (c) repay to Buyer the purchase price of the defective goods. If Buyer selects repair or replacement, any defects will be remedied without cost to Buyer, including but not limited to, the costs of removal, repair and replacement of the defective goods, and reinstallation of new goods.

All such defective goods that are so remedied will be similarly warranted as stated above. Supplier further warrants that Supplier will convey good title to the goods to be supplied to Buyer hereunder and that such goods will be delivered free from any security interest, lien or encumbrance. Payment will not be claimed by Supplier as a waiver, release or acceptance to avoid fulfilment of the warranty clause. Should the Supplier fail to remedy any defects or replace defective goods within the time specified in the PO, the Buyer may order the repairing on his own. Supplier will pay for any resulting costs.

11. Compliance with Law and Buyer Policies: In addition to the Warranty above, Supplier warrants that the goods will be manufactured in compliance with all applicable laws and rules, including Environmental and Health & Safety regulations. If Supplier is granted access to Buyer's facilities for purposes of completion of the PO or inspection of the goods, it will comply with Buyer's internal policies, including those regarding security and safety. The Supplier will indemnify the Buyer against all liabilities, costs and penalties on account of the infringement of any applicable law or regulation. Supplier has received a copy of Buyer's Business Conduct Policy and acknowledges that it has not paid nor been asked to pay anything of value to or for the benefit of any Buyer employee (or known family member or associate thereof) in connection with the award of this order.

12. Supplier's Liability and Indemnification: If the Supplier, its employees, agents, invitees or contractors, enter upon the premises of the Buyer or an agreed site of work in order to do any work hereunder, including but not limited to construction, erection, inspection, delivery, servicing or repairing, the Supplier will indemnify the Buyer against all liability, claims, costs, and expenses on account of the death of, personal injury or loss or damage to property of any person arising out of or in any manner connected with the performance of such work and caused by an act or omission of the Supplier, its employees, agents, invitees or contractors. Supplier will at its own expense defend any and all actions based on such acts or omissions and will pay all legal charges and all costs and other expenses arising out of these obligations of indemnification. The Supplier will procure and maintain such insurance in connection with the work as the Buyer will specify.

13. Cancellation for Breach or in the Event of Supplier Bankruptcy: In the event that delivery of all or any of the goods comprised in this PO is not effected within the time specified in this PO, which will be deemed to be of the essence, or in the event of any other breach or non-observance by the Supplier of any other terms of this PO, the Buyer will have the right to cancel this PO immediately without prejudice to the right of the Buyer to damages for breach of contract. Buyer will also have the right to cancel this PO if the Supplier becomes bankrupt or goes into liquidation (other than voluntary liquidation for the purposes of merger or reconstruction).

14. Patents: Supplier agrees to indemnify, defend and hold harmless Buyer, its officers, directors, shareholders, employees, representatives, subsidiaries and affiliated companies (collectively "Indemnities") from and against all liabilities, costs, claims, penalties, forfeitures, causes of action, suits and the costs and expenses incident thereto (including costs of defence, settlement, and legal fees), which Indemnities may hereafter suffer, incur, become responsible for or pay out as a direct or indirect result of any allegation, claim or proceeding involving any question of direct, contributing or indirect infringement of any intellectual property rights.

15. Non-disclosure / Confidential clause: All patterns, drawings, documents, software or other media containing specifications, information or data that may be supplied by the Buyer will be maintained in confidence by Supplier and returned in good order and condition on completion of this PO or on prior request by the Buyer and will not be published or disclosed to any third party nor copied or used for any purpose other than the fulfilment of this PO, without the prior written approval of the Buyer.

16. Invoice and payment: In consideration of the provision of the Goods to be supplied to the Buyers satisfaction under the PO, the Buyer shall make payment to the Supplier in accordance with the payment schedule for that agreed PO. This period is 45days from the end of the respective month of the approved invoice (End of Month plus 45 days) unless otherwise agreed by the parties in the PO. Payment is without prejudice to any claims or rights which the Buyer may have against the Supplier and does not constitute any admission by the Buyer as to the performance by the Supplier.

17. Damage or loss in transit – The seller will repair, or replace free of charge, Goods damaged or lost in transit, providing the Buyer shall give the Supplier written notification of such damage or loss within such time as will enable the Supplier to comply with the carrier's conditions of carriage or where delivery is made by the Supplier's own transport, within a reasonable time.

18. Governing Law: The construction, performance and validity of this contract shall be governed by English Law

19. WEEE Directive – The company shall not accept and transfer of obligations from its suppliers under this legislation