

TRADE TERMS, CONDITIONS AND STANDARDS OF THE SCREEN PRINTING INDUSTRY

1. QUOTATION

A quotation not accepted within thirty (30) days is subject to review.

2. ORDER CANCELLATION

In the case of an order cancellation, if the printer has already commenced working on the order, he shall be entitled to full reimbursement for any costs already incurred, including penalties or restocking charges that sellers' suppliers may charge him. This reimbursement shall be taken from the advanced deposit and the balance refunded to the customer.

3. EXPERIMENTAL WORK

Experimental work performed at customer's request, such as sketches, drawings, composition, screens, presswork and materials, will be charged for at current rates and may not be used without consent of the printer.

4. PREPARATORY WORK

Sketches, copy, dummies and all preparatory work created or furnished by the printer, shall remain his exclusive property and no use of same shall be made, nor any ideas obtained therefrom be used, except upon compensation to be determined by the printer.

5. CONDITION OF CUSTOMER SUPPLIED ARTWORK

Estimates for printing are based on customer supplying same size or larger black and white artwork that is 'camera ready' or 'scanner ready' and requiring no touch-up or clean-up. Additional time needed to make artwork ready shall be billed at current rates.

6. PREPARTORY MATERIALS

Artwork, type, screens, negatives, positives, colour separations and other items when supplied by the printer shall remain his exclusive property unless otherwise agreed in writing.

7. ALTERATIONS

Alterations represent work performed in addition to the original specifications. Such additional work shall be charged at current rates and be supported with documentation upon request.

8. PROOFS

Proofs shall be submitted with original copy. Corrections are to be made on 'master set', returned marked 'O.K.' or 'O.K. with corrections' and signed by customer. If revised proofs are desired, request must be made when proofs are returned. Printer regrets any errors that may occur through production undetected, but cannot be held responsible for errors if the work is printed per customer's O.K. or if changes are communicated verbally. Printer shall not be responsible for errors if the customer has not ordered or has refused to accept proofs or has failed to return proofs with indication of changes or has instructed printer to proceed without submission of proofs.

9. PRESS PROOFS

Unless specifically provided in printer's quotation, press proofs will be charged for at current rates. An inspection sheet of any form can be submitted for customer approval, at not charge, provided customer is available at the press during the time of make-ready. Any changes, corrections or lost press time due to customer's change of mind or delay will be charged for at current rates.

10. COLOUR PROOFING

Because of differences in equipment, garments, inks and other conditions between colour proofing and production pressroom operations, a reasonable variation in colour between colour proofs and the completed job shall constitute acceptable delivery.

11. OVERRUNS OR UNDERRUNS

Overruns or underruns not to exceed 10% on quantities ordered and/or the percentage agreed upon over or under quantities ordered shall constitute acceptable delivery. Printer will bill for actual quantity delivered within this tolerance. If customer requires guaranteed 'no less than' delivery, percentage tolerance of overage must be doubled.

12. CUSTOMER'S PROPERTY

The printer will maintain fire, extended coverage, vandalism, malicious mischief and sprinkler leakage insurance on all property belonging to the customer, while such property is in the printer's possession; printer's liability for such property shall not exceed the amount recoverable from such insurance.

13. DELIVERY

Unless otherwise specified, the price quoted is for a single shipment, without storage, F.O.B. local customer's place of business or F.O.B. printer's platform for out-of-town customers. Proposals are based on continuous and uninterrupted delivery of complete order, unless specifications distinctly state otherwise. Charges related to delivery from customer to

printer, or from customer's supplier to printer, are not included in any quotations unless specified. Special priority pickup or delivery service will be provided at current rates upon customer's request. Materials delivered from customer or his suppliers are verified with delivery ticket as to cartons, packages or items shown only. The accuracy of quantities indicated on such tickets cannot be verified and printer cannot accept liability for shortage based on supplier's tickets. Title for finished work shall pass to the customer upon delivery to carrier at shipping point or upon mailing of invoices for finished work, whichever occurs first.

14. PRODUCTION SCHEDULES

Production schedules will be established and adhered to by customer and printer, provided that neither shall incur any liability or penalty or delays due to state of war, riot, civil disorder, fire, strikes, accidents, action of Government of civil authority and acts of God or other causes beyond the control of customer or printer.

15. CUSTOMER-FURNISHED MATERIAL

Garments, stock, camera copy, film, colour separations and other customer furnished materials shall be manufactured packaged and delivered to printer's specifications. Additional costs due to delays or impaired production caused by specification deficiencies shall be charged to the customer.

16. TERMS

An advanced deposit of 50% of the total order price is required on all custom orders. Printer will not commence work until this amount has been paid. Unless otherwise arranged, buyer shall pay the balance due on the order at the time of delivery.

17. GENERAL WARRANTY

Printer shall disclaim any and all express or implied warranties of merchandisability or warranty of fitness for a particular purpose. Although the printer uses quality materials, due to the wide variation in laundering conditions and detergents, printer does not guarantee against fading or shrinkage of garments during laundering.

18. DYE LOT

Due to the practice of batch processing knitted goods when they are dyed, printer cannot guarantee consistency of color on garments from dye lot to dye lot or from one order to the next.

19. SUBSTITUTIONS

Printer reserves the right to substitute materials of equal or better quality with notification, unless advance notification is previously agreed to in writing.

20. REJECTS

Buyer shall have the right to purchase reject material at a reduced cost to be determined by printer. If buyer declines to purchase rejects, printer has the right to sell them as seconds or irregulars in any manner he sees fit. If buyer provided the goods to print on he shall be entitled to all rejects. Reject rates on buyer's goods shall be within excepted industry standards. Printer shall not be obligated to purchase rejects from buyer unless a specific reject rate ceiling is agreed to in writing.

21. PACKAGING

Unless otherwise noted, all items shall be "bulk" packaged. Individual folding, tagging, bagging, etc., shall be charged at current rate.

22. INDEMNIFICATION

The customer shall indemnify and hold harmless the printer from any and all loss, cost, expense and damages on account of any and all manner of claims, demands, actions and proceedings that may be instituted against the printer on grounds alleging that the said printing violates any copyright or any proprietary right of any person, or that it contains any matter that is libelous or scandalous, or invades any person's right to privacy or other personal rights except to the extent that the printer has contributed to the matter. The customer agrees to, at the customer's own expense, promptly defend and continue the defense of any such claim, demand, action or proceeding that may be brought against the printer, provided that the printer shall promptly notify the customer with respect thereto, and provided further that the printer shall give to the customer such reasonable time as the urgency of the situation may permit in which to undertake and continue the defense thereof.