

## ADHESIF LABELS LIMITED TERMS AND CONDITIONS

### 1. APPLICATION

- 1.1 **All Dealings:** These Terms and Conditions apply to the supply of all goods and services by Adhesif Labels Limited to the Customer. Changes to these Terms and Conditions will be notified to the Customer by Adhesif in writing. These Terms and Conditions will prevail over and exclude all Acts or legal obligations to the extent permitted by law.

### 2. DEFINITIONS AND INTERPRETATIONS

- 2.1 **Defined Terms:** The following initially capitalised terms shall have the meanings specified:
- |                       |  |
|-----------------------|--|
| Adhesif               | Adhesif Labels Limited and, where the context requires, any related company of Adhesif Labels Limited.   |
| Customer              | The party with which Adhesif is supplying Labels, and where the context required, any related company, related party, officer, and authorised person of the Customer.  |
| Customer's Correction | A change to a sample specified by a Customer in writing to Adhesif, and accepted by Adhesif  |
| Estimate              | A non-binding estimate by Adhesif of the cost of an intended Order of Labels or part of it   |
| Label                 | Any product produced by Adhesif for a Customer which may include a self-adhesive label, shrink sleeve, or repositionable note, or like product, and where the context requires includes any services relating to a Label and other services provided to the Customer by Adhesif. |
| Quotation             | A quotation by Adhesif to the Customer for an order of Labels, including all express and implied terms of the Quotation  |
| Order                 | An order for Labels  |
| PPSA                  | The Personal Property Security Act 1999  |

### 3. CONTRACTUAL DOCUMENTS

- 3.1 **Documents:** The contractual documents between Adhesif and the Customer shall consist of:
- 3.1.1 Any Quotation; and
  - 3.1.2 Any Order (subject to condition 4.5); and
  - 3.1.3 These Terms and Conditions; and
  - 3.1.4 Any invoice issued by Adhesif; and
  - 3.1.5 Any agreed variations of them.
- In the event of a conflict between the terms of the Quotation and these Terms and Conditions, the terms of the Quotation shall take precedence.

### 4. QUOTATIONS AND ORDERS

- 4.1 **Request for Quotation:** The Customer may request a Quotation from Adhesif setting out the price and quantity of the Labels to be supplied.
- 4.2 **Provision of Quotation:** Adhesif may provide a Quotation for the Labels, including such terms as Adhesif requires.
- 4.3 **Acceptance of Quotation:** If the Quotation is acceptable to the Customer, the Customer may place an Order as required in clause 4.4.
- 4.4 **Placing of Order:** The Customer will complete an Order and send the Order to Adhesif. If the Customer has not previously provided Adhesif with a signed copy of these Terms and Conditions or some other form of acknowledgement by the Customer confirming that the Customer is bound by these Terms and Conditions, the Customer must forward a signed copy of these Terms and Conditions or some other form of acknowledgement by the Customer confirming that the Customer is bound by these Terms and Conditions with the Order. Nevertheless the making of an Order by the Customer shall be deemed to be acceptance by the Customer of these Terms and Conditions even if the Customer has failed to forward a signed copy of these Terms and Conditions or some other form of acknowledgement by the Customer confirming that the Customer is bound by these Terms and Conditions.
- 4.5 **Customer Conditions:** Adhesif will not be bound by any conditions included in the Order by the Customer unless it accepts them in writing. Adhesif shall be entitled to commence production of the Order without notice to the Customer refuting the purported conditions of the Customer. Without prejudice to the foregoing the acceptance of delivery of any part of the Order by the Customer will be deemed to be acceptance by the Customer of these Terms and Conditions for the Order in question excluding the purported conditions inserted by the Customer notwithstanding anything that may be stated to the contrary in the Customer's inquiries or on the Customer's Orders.
- 4.6 **Delay in Acceptance:** If the Order is not placed with Adhesif within 30 days of the date of the Quotation, the Quotation is subject to further written confirmation by Adhesif in its absolute discretion. Prices quoted are for the

quantity of Labels requested. Adhesif may in its absolute discretion vary the price if the Order quantity is different from that contained in the Quotation.

- 4.7 **Force Majeure:** Adhesif has the right not to accept any Order or to cancel any Order which it has accepted, or to supply only part of the Order, if due to circumstances beyond Adhesif's control, Adhesif forms the opinion that filling or completing the Order is impracticable or uneconomic.

### 5. VARIATIONS AND ALTERATIONS

- 5.1 **Variation in Price:** Quotations are based on the cost prevailing and specification supplied by the Customer at the time of quoting. The quoted price shall be subject to amendment if there is any movement in costs or there is any variation or alteration from the specification supplied.

### 6. ADVANCE AND PROGRESS PAYMENTS

- 6.1 **Progress Payments:** Adhesif may issue an invoice for the amount of the Quotation, or part of it, before commencing the Order; and require payment of that invoice before commencing production of the Order, or completing more than such portion of the Order as Adhesif in its sole discretion determines.

### 7. SUSPENSION OF ORDER

- 7.1 **Payment:** If, as a consequence of an instruction from the Customer, Adhesif delays or suspends any Order for a period of 14 days or more, Adhesif shall be entitled to payment in full for all work in progress at the time of suspension and may alter the price for the uncompleted portion of the Order.

### 8. ESTIMATES

- 8.1 **Estimates:** In some circumstances Adhesif may provide an Estimate for Labels or services associated with Labels, including (but not limited to goods and services provided by third parties). In such cases the Customer shall pay the sums invoiced by Adhesif for the goods and services and Labels provided, notwithstanding that the invoiced sum may differ from the quantum of the Estimate. These Terms and Conditions shall apply to Estimates with any necessary changes.
- 8.2 **Estimates included in Quotations:** A Quotation may include an Estimate for part of the costs included; typically for costs such as plates, proofs, dies, die line, and other origination costs.

### 9. ORDERS IN WRITING

- 9.1 **No Liability for Verbal Instructions:** All Orders and instructions to Adhesif must be provided in writing. Adhesif shall not be liable for errors or omissions arising from an oversight or misinterpretation of a Customer's verbal instructions.

### 10. CARRYING OUT ORDERS

- 10.1 **Proofs and Samples:** Unless otherwise agreed between Adhesif and the Customer before producing the initial print run of Labels for a Customer, Adhesif shall produce either (at Adhesif's option) a proof or sample of the proposed Label. Adhesif shall provide the proof or sample to the Customer and give the Customer a reasonable time (having regard to the circumstances) to approve the proof or sample.
- 10.2 **Customer's Corrections:** Customer's Corrections on and after the first proof including alterations in style shall be an additional charge to the charge specified on the Quotation.
- 10.3 **Alterations to Style:** If, before the Quotation is prepared, the Customer does not give Adhesif specific instructions in relation to style, type or layout:
- 10.3.1 Adhesif may use any style, type and layout which Adhesif considers appropriate; and
  - 10.3.2 Adhesif may charge an additional amount for any additional work required to be done (including the production of additional proofs) as a result of Adhesif subsequently altering the style, type or layout.
- 10.4 **Type and other intermediary material:** Unless otherwise agreed in writing, typesetting, artwork, colour separations and any other intermediary materials specifically required for completion of an Order shall be an additional charge. Adhesif may dispose of any intermediary materials which are not uplifted by the Customer within a period of 3 months from the date of invoice and any proceeds arising from their disposal may be used by Adhesif to offset the cost of storage of such materials.
- 10.5 **Colours:** Adhesif will use all reasonable efforts to match colours specified by a Customer within accepted industry standards but shall not be liable if colours do not exactly match a print production with a colour proof because of variances in proof preparation methods and substrates.

- 10.6 **Inks:** Quotations are quoted on the basis of using inks provided to Adhesif by its normal suppliers. Any changes in ink required will make the Quotation subject to amendment.
- 10.7 **Urgent Orders and Holding Presses:** If Adhesif allocates time on its presses to complete an Order so that the presses are not available for completion of other Customer's Orders, Adhesif shall be entitled to charge the Customer an additional charge to compensate for the lack of productivity from those presses.
- 10.8 **Variation in Quantity:** Adhesif shall use all reasonable efforts to deliver the quantity of Labels specified in an Order. The Customer acknowledges that the number of Labels actually produced in fulfilment of an Order may be up to 10% over or under the number specified in the Order. If the exact number of Labels produced differs from the number Ordered, Adhesif shall be entitled (but not obliged) to adjust the amount charged to the Customer for the Order to reflect the actual number of items produced.
- 10.9 **Interim Invoices:** Adhesif may, in the event that it is of the view that completing the Order will take more than a month, at any time before the Order is completed, issue one or more invoices for a proportion of the Quotation (the proportion to be at Adhesif's discretion) and requiring that the proportion of the Quotation be paid in advance of any further work being done.
- 11. INTELLECTUAL PROPERTY**
- 11.1 **Material provided by Customers:** If the Customer provides Adhesif with logos, designs, or copy for the design and/or manufacture of Labels by Adhesif for the Customer, the Customer warrants to Adhesif that the logos design and copy and any Labels manufactured by Adhesif based on the logos design and copy will not infringe the copyright, trademark, or other intellectual property rights of any third party, and the Customer indemnifies Adhesif from and against any and all claims, liabilities, obligations, expenses or damages Adhesif may suffer or incur as a result of the use by Adhesif of the logos, designs, or copy.
- 11.2 **Licence:** The Customer expressly licenses Adhesif to use all intellectual property in all logos, designs, or copy necessary for the production of the Labels.
- 11.3 **Intellectual Property of Adhesif:** All intellectual property in, and relating to the production of the Labels (excluding intellectual property in the logos, designs, or copy belonging to the Customer which is licensed to Adhesif pursuant to clause 11.2) including patents, trademarks, copyright, know how, designs, trade secrets and information confidential to Adhesif and any amendments to intellectual property will remain the property of Adhesif and will not be disclosed to any other person by the Customer without the written consent of Adhesif.
- 11.4 **Confidentiality:** The Customer must keep confidential and not use any ideas communicated by Adhesif to the Customer without Adhesif's written consent.
- 11.5 **Electronic Images and/or Files:** It is the Customer's responsibility to retain a copy of any image or file supplied. Adhesif is not responsible for accidental damage to any image or file supplied to Adhesif by the Customer.
- 11.6 **Storage of Electronic Data:** Adhesif will not be responsible for storing any data on disks, tapes, compact disks or other media when the Order has been completed. If Adhesif agrees to store such data Adhesif may charge to do so and Adhesif will have no liability to the Customer as a consequence of that data being lost or destroyed.
- 11.7 **Additional Work:** Adhesif shall be entitled to make an additional charge for any additional translating, editing, or programming needed to utilise files or images supplied by the Customer.
- 11.8 **Property of Adhesif:** Unless otherwise agreed in writing, the Customer shall have no right to material stored by Adhesif on disks, tapes, or any other form of electronic storage, but if Adhesif agrees to duplicate or transfer stored electronic material to the Customer Adhesif shall have the right to charge for this service. Disks, tapes and any other form of electronic storage supplied by the Customer shall remain the property of the Customer and unless otherwise instructed in writing, Adhesif shall assume that these are a copy of the original.
- 11.9 **Printing Plates:** Any printing plates or other items commissioned by Adhesif shall remain the property of Adhesif notwithstanding that the cost of those plates has been charged to the Customer.
- 11.10 **Ancillary Materials:** Unless Adhesif and the Customer agree otherwise in writing, drawings, sketches, painting, photographs, designs, typesetting, dummies, models, negatives, positives, electronic artwork, flexible dies, rotary dies, silkscreens and proprietary files, plates or cylinders, disks, tapes, compact disks, or other media or data and other material produced by Adhesif in the course of or in preparation for performing the Order (whether or not it is in fact used for the purposes of performing the Order) are the property of Adhesif and all intellectual property in those medias (but excluding the intellectual property in the Customer's design) is the property of Adhesif.
- 12. PRICE**
- 12.1 **New Zealand Customers:** For a New Zealand Customer, unless otherwise agreed in writing, the price for the Labels is stated in New Zealand dollars and will be the current price charged by Adhesif at the date of delivery. For the purposes of these Terms and Conditions, a New Zealand Customer is one whose delivery address is in New Zealand.
- 12.2 **Overseas Customers:** For an overseas Customer, unless otherwise agreed in writing, the price for the Labels is stated in New Zealand dollars and will be the current price charged by Adhesif at the date of delivery. For the purposes of these Terms and Conditions, an overseas Customer is one whose delivery address is outside New Zealand.
- 12.3 **GST:** Unless otherwise agreed prices are exclusive of Goods and Services Tax, any other taxes, duties, charges and delivery and packaging costs. Goods and Services Tax, and any other applicable taxes, duties, charges and costs will be payable by the Customer in addition to the price.
- 12.4 **Alterations:** The price payable by an overseas Customer may be altered at any time before delivery.
- 13. PAYMENT**
- 13.1 **Invoices:** An invoice will be issued to the Customer upon shipping of the Labels ordered.
- 13.2 **Payment is to be made on or before the 20<sup>th</sup> of the month following delivery. Payment is to be made by direct credit to the bank account nominated by Adhesif unless some other form of payment is agreed in writing.**
- 13.3 **Default:** Without prejudice to Adhesif's other remedies failure to pay for the Labels by the due date may result in further deliveries being stopped until the overdue payments have been made. Interest on overdue accounts may be charged at a rate equal to 5% per annum over Adhesif's unauthorized bank overdraft rate on any debt not paid by the due date.
- 13.4 **Costs of Enforcement:** Any costs Adhesif incur in the collection of payment of any invoice may be recovered from the Customer.
- 13.5 **No Set Off:** The Customer may not set off against the price payable for the Labels any claims which the Customer may have against Adhesif.
- 13.6 **Application of Payments:** Adhesif may accept and apply payments from the Customer in respect of any indebtedness and Adhesif will not be bound by any conditions or qualifications attaching to such payments.
- 14. DEFECTS**
- 14.1 **Rejection:** The Customer may only reject the Labels if they do not comply with the Quotation and any proofs or samples approved by the Customer, including any Customer's Corrections accepted by Adhesif. Labels may only be rejected by notice in writing to Adhesif provided within seven days of delivery of the rejected Labels to the Customer, time being strictly of the essence, and if required by Adhesif the Customer returns the defective Labels, to Adhesif in their delivered state or if Adhesif requires, a sample of them within 14 days of their delivery to the Customer by Adhesif.
- 14.2 **Replacement or Credit:** Adhesif will at its option either replace defective Labels or give a credit or refund for the Labels as long as the Customer's claim has specifically identified the Labels and the defect and the Customer notifies Adhesif of the defect within 10 days of taking delivery.
- 14.3 **Return of Rejected Labels:** If Adhesif accepts that Labels are defective Adhesif will either bear the costs of returning the Labels to Adhesif, or may direct the Customer to destroy the defective Labels. The Customer may not withhold any payment due to Adhesif in respect of any other Labels pending the resolution of a claim for a product defect.
- 15. DELIVERY**
- 15.1 **Adhesif to Deliver:** Adhesif will deliver the Labels to the place nominated by the Customer. The cost of delivering the Labels to the nominated delivery point will be borne by Adhesif but may be charged to the Customer.
- 15.2 **Place of Delivery:** Delivery will be completed upon receipt of the Labels by the Customer at the place nominated by the Customer.
- 15.3 **Risk:** The Labels shall be at the risk of Adhesif until delivery.
- 15.4 **Delivery Date:** If the Customer specifies a delivery date, Adhesif will use its reasonable endeavours to try and deliver the Labels to the Customer by that date but Adhesif will not be liable or responsible in any way to the Customer for delivery delays or non-delivery.
- 16. EXCLUSIONS AND LIMITATIONS OF LIABILITIES**
- 16.1 **Limitation:** No warranty is given and Adhesif will not be liable for:
- 16.1.1 alterations to the Labels not performed by Adhesif;
- 16.1.2 damage or failure caused by unusual or non-recommended use or application of the Labels;
- 16.1.3 loss caused by any factors beyond Adhesif's control;
- 16.1.4 any special, consequential or economic loss or damage or loss of profits (in contract or tort or arising from any other cause of action) suffered by the Customer or any other person resulting from any act or omission of Adhesif.

- 16.2 **Total Liability:** Adhesif's total liability for defective or damaged Labels or breach of Adhesif's contractual obligations or duties at law (however arising) is limited at Adhesif's option to either:
- 16.2.1 replacing the defective or damaged Labels; or
- 16.2.2 refunding the price of the defective or damaged Labels.
- 16.3 **Statutory Warranties:** Subject to clause 16.2 of these Terms and Conditions Adhesif excludes and contracts out of all statutory conditions, guarantees and warranties expressed or implied by the law to the fullest extent permitted by law.
- 17. OUTSIDE WORK:**
- 17.1 **Work by Third Parties:** If Adhesif has to obtain goods or services from a third party in Order to carry out the Customer's instructions or complete an Order:
- 17.1.1 Adhesif will not be liable for any breach of these terms and conditions if that breach is as a result or is connected with the supply by a third party of such goods or services;
- 17.1.2 Adhesif acquires such goods or services as agent for the Customer not as principal and will have no liability to the Customer in relation to the supply of these goods or services. Any claim by the Customer in relation to the supply of those goods or services must be made directly against the third party;
- 17.1.3 The Customer must pay for such goods or services.
- 17.2 **Property in Work by Third Parties:** Notwithstanding clause 17.1.2 property in the goods and services passes to Adhesif and any property in the completed Labels shall only pass to the Customer in accordance with these Terms and Conditions.
- 18. COMPLIANCE WITH LAW**
- 18.1 **Lawful Purpose:** The Customer shall ensure that the Labels are used only for lawful purposes and in accordance with any applicable laws.
- 18.2 **Indemnity:** The Customer agrees to indemnify Adhesif in respect of all damages, losses, costs, and expenses (including legal costs) that Adhesif may incur as a result of the Customer's breach or alleged breach of clause 9.1 above.
- 19. CANCELLATION**
- 19.1 **Cancellation by Customer:** The Customer may not cancel any Order or part of it without Adhesif's written consent which may be withheld for any reason. Without prejudice to Adhesif's right to refuse to allow cancellation of an Order as a condition of giving such consent, Adhesif may require it be reimbursed for the cost of labour and materials and other direct or indirect costs incurred by Adhesif, and a profit margin on those items to the date of cancellation.
- 19.2 **Cancellation by Adhesif:** Adhesif will be entitled without liability to the Customer to cancel an Order or delivery of an Order if:
- 19.2.1 Adhesif forms the opinion that the Customer is insolvent; or
- 19.2.2 the Customer fails to pay any amount for the Labels on the due date.
- 19.2.3 For reasons beyond Adhesif's control, Adhesif forms the opinion that filling the Order is impracticable or uneconomic.
- 20. SECURITY RISK, INTEREST AND OWNERSHIP**
- 20.1 **Security Interest:** The Customer grants Adhesif a security interest in the Labels as security for all amounts owing by the Customer to Adhesif and the performance of the Customer's obligations under these Terms and Conditions.
- 20.2 **Identification:** The Customer shall ensure that it is always able to identify:
- 20.2.1 the Labels from any other goods that may be in the Customer's possession; and
- 20.2.2 the particular Labels to which any invoice relates.
- 20.3 **Title:** Title to any particular Labels shall remain in Adhesif until there are no longer any amounts owing to Adhesif for those Labels.
- 20.4 **Use by Customer:** Until title to any particular Labels passes to the Customer, the Customer shall:
- 20.4.1 hold those Labels as Adhesif's bailee;
- 20.4.2 return those Labels to Adhesif on request; and
- 20.4.3 hold any cash proceeds of those Labels on trust for Adhesif in a separate account.
- 20.5 **Sale by Customer:** Even though title to any particular Labels remains in Adhesif, the Customer may sell those Labels on the Customer's own account provided that:
- 20.5.1 any such sale is conducted at arm's length and is for the full market value of those Labels; and
- 20.5.2 Adhesif has not requested the return of those Labels.
- 20.6 **Risk:** The Labels shall be at the Customer's risk from delivery (whether to the Customer or another person on the Customer's behalf) and the Customer shall insure the Labels for their full replacement value.
- 20.7 **Recovery of Labels:** If the Customer fails to comply with any term of these Terms and Conditions or any other agreement with Adhesif, Adhesif or its agent may exercise any and all remedies afforded to a secured party by Part 9 of the Personal Property Securities Act 1999 ("PPSA") and enter any building or premises owned, occupied, or used by the Customer, to search for and re-take possession of the Labels.
- 20.8 **PPSA:** The parties agree that sections 114(1)(a), 117(1)(c), 133 and 134 of the PPSA shall not apply on the enforcement by Adhesif of any security interest created or provided for by these Terms and Conditions. The Customer waives any rights the Customer may have under sections 116, 119, 120(2), 121, 125, 126, 127, 129 and 131 of the PPSA on such enforcement.
- 20.9 **Acknowledgement:** The Customer acknowledges receipt of a copy of these Terms and Conditions and waives any right to receive from Adhesif a copy of any financing statement, financing change statement or verification statement that is registered, issued, or received at any time in relation to these Terms and Conditions.
- 20.10 **Change of Name:** The Customer shall immediately notify Adhesif of any change of name.
- 20.11 **Definitions and Interpretation:** Unless the context otherwise requires terms and expressions in this clause 20 that are defined in the PPSA shall have the same meaning in this clause 20 as in the PPSA and references to the Labels include references to any one of them.
- 21. WAIVER**
- 21.1 **Customer Waiver:** If Adhesif waives any breach of the Terms and Conditions by the Customer the waiver will not affect Adhesif's right to exercise its rights under these Terms and Conditions at any future time.
- 22. SEVERABILITY**
- 22.1 **Full Force and Effect:** Each clause in these Terms and Conditions is severable and if any clause is held to be illegal or unenforceable, then the remaining clauses will remain in full force and effect.
- 23. GOVERNING LAW**
- 23.1 **New Zealand Law:** These Terms and Conditions will be interpreted in accordance with and governed by the laws of New Zealand and the New Zealand Courts will have exclusive jurisdiction over any dispute in relation to the Labels or these Terms and Conditions.