

# General Terms of Trade



You have agreed to engage MO Design Co (MO) to provide certain "Services" as initially set out in the Creative Proposal.

These general terms are MO's standard operating terms and will, together with the Creative Proposal, be the contractual terms that apply in respect of MO's provision of the Services to you.

There is no need for you to sign these general terms in order to accept them. You will be deemed to have accepted them by instructing and/or engaging MO to provide the Services.

## 1. DEFINITIONS

1.1 Definitions: In these general terms, unless the context otherwise requires:

Agreement means the services agreement between you and MO in respect of the Services and includes the Creative Proposal and these general terms;

Commencement Date means the date that you first instruct and/or engage MO to provide the Services;

Contract Fee means the contract fee payable by you to MO for the Services in accordance with this Agreement, as set out in the Creative Proposal and/or as otherwise advised to you by MO from time to time;

Creative Proposal means the written proposal provided to you by MO (whether by hand, email, post or otherwise) in respect of a particular design and/or creative project to be undertaken by MO;

Delivery Date(s) means the date for delivery of the Services as set out in the Creative Proposal and/or as otherwise advised to you by MO from time to time;

Existing IP means all IP that is owned by or licensed to you as at the Commencement Date;

Finished Product means any final product or design that is supplied by MO to you as a result of providing the Services and signed off and paid for in full by you in accordance with this Agreement but excludes the Working Material;

GST means goods and services tax payable under the Goods and Services Tax Act 1985 at the prevailing rate that applies from time to time;

IP means all intellectual property rights and interests, including (without limitation) all statutory, common law and proprietary rights in respect of copyright works, designs, inventions, patents, trade marks, brands, logos, layout designs, know how and other confidential information;

MO's IP means all IP owned by, or licensed by a third party to, MO as at the Commencement Date and all modifications, adaptations or developments made to, or based on, such IP (whether made by MO or otherwise) created or developed in connection with the Services;

Payment Date means the date set out or otherwise described in an invoice issued to you by MO under this Agreement;

Services means the design, creative and other services to be provided to you by MO under the terms of this Agreement, including (without limitation) any such services described in the Creative Proposal; and

Working Material means all concepts, ideas, templates, documentation, mock ups, methodologies, processes, systems, software, design and artwork files and/or development tools in whatever form or format (including all supporting data) that are used in, or otherwise developed by MO as a result of, performing the Services.

## 2. PROVISION OF SERVICES

2.1 Provision of Services: In consideration of you paying the Contract Fee, MO will provide you with the Services on the terms and conditions set out in this Agreement.

2.2 Standard: MO will provide the Services in a professional and competent manner.

2.3 Delivery Dates: MO will use reasonable endeavours to provide the Services by the relevant Delivery Dates. A Delivery Date will automatically be postponed if any delay or failure to meet a Delivery Date is directly or indirectly caused by or results from:

- MO being required to provide the Services in circumstances other than those reasonably anticipated as at the Commencement Date;
- any act or omission by you and/or any breach of this Agreement by you; or
- the occurrence of an Unforeseen Event (as defined in clause 9.1).

2.4 Change Request: You may request a change to the nature and/or scope of the Services from time to time by submitting a written request (a Change Request) to MO. A Change Request will include a description of the change proposed and the reason for the change.

2.5 Acceptance and Amended Terms: Upon receipt of a Change Request, MO will assess the Change Request and a director of MO will promptly notify you in writing:

- of the feasibility of the change;
- whether it agrees to the Change Request (such agreement to be given or withheld at MO's sole discretion); and
- any required amendment to any other aspect of the Services, the Contract Fee and/or the Delivery Dates (the Amended Terms).

If MO agrees to the Change Request in the manner contemplated above and you agree to proceed with the requested change on the Amended Terms advised by MO, this Agreement will be deemed to be varied to the extent necessary to take account of the Change Request and the Amended Terms. For the avoidance of doubt, the submission of any Change Request will not alter the validity of this Agreement (in its then current form) or affect the parties' rights and obligations under this Agreement until such time that MO agrees to the Change Request in the manner contemplated above and you decide to proceed with the requested change on the Amended Terms.

## 3. YOUR OBLIGATIONS

3.1 Your obligations: You will, at your own cost:

- comply with the terms of this Agreement;
- submit all information, project briefs, materials, documents, photographs, images, and/or any other item or information which may be relevant to the Services, as MO may reasonably require from time to time to enable MO to undertake and perform the Services and otherwise fulfil its obligations under this Agreement;
- promptly respond to all requests made by MO for instructions; and
- fully cooperate with MO to enable it to undertake and perform the Services.

## 4. REMUNERATION AND PAYMENT

4.1 Invoice: MO will invoice you from time to time in respect of any Contract Fee and all other costs and expenses payable by you under this Agreement.

4.2 Remuneration: Upon receipt of an invoice from MO, you will pay to MO the full amount stated in such invoice without setoff or deduction on the relevant Payment Date(s) in consideration of MO providing the Services under this Agreement. You acknowledge that payment on time is essential to MO (time being of the essence).

4.3 GST: Unless expressly stated, amounts stated in and payable under this Agreement do not include any GST. Each such amount must be increased for GST which is payable by you.

4.4 Expenses: Unless otherwise agreed by MO, the Contract Fee does not include out-of-pocket expenses incurred in respect of the Services, including (without limitation) travel expenses, telephone, printing and courier charges which will be charged to and payable by you in addition to the Contract Fee.

4.5 Variation: MO will be entitled to vary the Contract Fee if any of the circumstances described in clause 2.3 occurs or otherwise in accordance with clause 2.5, provided that the relevant circumstances do not directly result from any breach of this Agreement by MO.

4.6 Deduction: MO will be entitled to deduct any amount that you owe to MO from any amount that MO may owe to you (for whatever reason).

4.7 Payment default: If you default in any of your payment obligations under this Agreement, you will also pay to MO on demand:

- all costs of recovery incurred by MO, including (without limitation) its legal expenses on a solicitor and own client basis; and
- interest on the amount(s) in default, calculated at 10% above MO's overdraft rate charged by its primary bank at the relevant time(s) calculated from the due date for payment until the date payment is made to and received by MO in full.

## 5. INTELLECTUAL PROPERTY

5.1 Existing IP: All your Existing IP will be and will remain your or your licensor's property, and MO will not:

- obtain any right, title or interest in the Existing IP or any part of it; and
- at any time contest or dispute your ownership of or right to use the Existing IP.

5.2 Finished Product: Subject to clauses 5.3 and 5.4, you will own the Finished Product upon full and final payment of all amounts owed by you to MO under this Agreement.

5.3 MO's IP and Working Material: Notwithstanding any other provision of this Agreement, you acknowledge and agree that MO:

- owns and retains all right, title and interest in and will be free to use all MO's IP and the Working Material; and
- you will not:
  - obtain any right, title or interest in all or any part of MO's IP or the Working Material; and/or
  - at any time contest or dispute MO's ownership of or right to use MO's IP or the Working Material.

5.4 Credits: You acknowledge and agree that MO may use all or any part of the Finished Product (or any image or reproduction of it) for the purposes of marketing, advertising and/or publicising MO's services in any media.

## 6. INSURANCE

6.1 Insurance: MO will use its reasonable endeavours to keep all the information, materials, documents, photographs, images and/or any other thing provided by you to MO under this Agreement (Materials) free from loss, harm or damage, provided that under no circumstances will MO be liable for any loss, harm or damage that may arise in respect of such Materials. You will be responsible for insuring all Materials against all loss, harm and damage notwithstanding that they may be in MO's possession at the time that such loss, harm or damage may arise.

## 7. EXCLUSION, LIMITATION OF LIABILITY AND INDEMNITY

7.1 Consumer Guarantees Act 1993 (the Act): You acknowledge that you are acquiring the Services for business purposes and agree that, to the fullest extent permitted by law the Act will not apply to the provision of any Services (and/or any Finished Product supplied) by MO to you under this Agreement.

7.2 Other representations and warranties: You acknowledge and agree that, to the fullest extent permitted by law, all representations and warranties in respect of the Services and/or any Finished Product (whether express, implied by law or otherwise) by or from MO or its officers, employees, agents, contractors, representatives or advisers are excluded, including (without limitation) any implied warranties in relation to quality, fitness for purpose or merchantability.

- 7.3 No consequential damages: To the fullest extent permitted by law, under no circumstances will MO or its officers, employees, agents, contractors, representatives or advisers, be liable to you and/or any other person for any loss of profits, loss of income, indirect loss, special or consequential losses, damages, liabilities, costs and/or expenses sustained, suffered and/or incurred by you and/or any other person as a result of any direct or indirect breach of this Agreement by MO or its officers, employees, agents, contractors, representatives or advisers.
- 7.4 Product liability: To the fullest extent permitted by law, under no circumstances will MO or its officers, employees, agents, contractors, representatives or advisers, be liable for any loss or damage whether direct or indirect, including (without limitation) any economic loss or loss of profit, arising out of the manufacture, use or sale by you (or your agents or customers) of any Finished Product or items incorporating Finished Product.
- 7.5 Liability for loss, harm or damage: To the fullest extent permitted by law, under no circumstances will MO or its officers, employees, agents, contractors, representatives or advisers, be liable for any loss, harm or damage to any information, materials, documents, photographs, images, and/or any other thing provided by you to MO or its officers, employees, agents, contractors, representatives or advisers under or as a result of this Agreement.
- 7.6 Maximum liability: To the fullest extent permitted by law, under no circumstances will MO's liability, and that of its officers, employees, agents, contractors, representatives and advisers, under or in connection with this Agreement exceed in aggregate the total Contract Fee paid by you to MO under this Agreement.
- 8. TERMINATION**
- 8.1 Termination by MO: MO may immediately terminate this Agreement by written notice to you if:
- (a) you fail to comply with any material obligation imposed on you under this Agreement and such failure continues for 10 business days after the date written notice has been provided to you by MO requiring the failure to be remedied; or
- (b) you:
- (i) go into liquidation (other than a voluntary liquidation for the purposes of a solvent reconstruction or amalgamation) or are bankrupted;
- (ii) are wound up or dissolved;
- (iii) make or attempt to make any composition, assignment or other arrangement with, or for the benefit of, your creditors; or
- (iv) have a receiver, manager or other administrator appointed in respect of any or all of your assets or business.
- 8.2 Termination for Unforeseen Event: Either party may immediately terminate this Agreement if an Unforeseen Event (as defined in clause 9.1) prevents MO from performing the Services for more than 60 consecutive days.
- 8.3 Prior breaches: Any termination of this Agreement will be without prejudice to the rights either party may have against the other in respect of any prior breach of any of the provisions contained or implied in this Agreement.
- 8.4 Suspension: If you fail to comply with any of your obligations under this Agreement, MO may (at its sole discretion and without prejudice to any other rights MO may have against you) suspend the provision of the Services until that breach has been remedied.
- 8.5 Termination without prejudice: Termination of this Agreement (for any reason) will be without prejudice to those provisions of this Agreement that are intended to survive termination, including (without limitation) this clause 8.5 and clauses 5, 7, 8.6, 10, 12.7 and 12.8.
- 8.6 Consequences of termination: Upon termination of this Agreement (for any reason) you will pay to MO on demand all amounts due and owing by you under this Agreement in full and without setoff or deduction.
- 9. UNFORESEEN EVENT**
- 9.1 Unforeseen Event: Under no circumstances will MO be liable for any failure or delay in complying with any of its obligations under this Agreement if the failure or delay arises from a cause or an event beyond its reasonable control (Unforeseen Event). MO will use its reasonable endeavours to perform such obligations despite the Unforeseen Event. Subject to clause 8.2, performance under this Agreement will resume, as soon as possible and to the greatest extent possible, following the Unforeseen Event coming to an end.
- 10. CONFIDENTIALITY**
- 10.1 Confidentiality: Each party will keep confidential the terms of this Agreement (in particular the Creative Proposal) and any other confidential information of the other party.
- 10.2 Exclusions: The confidentiality obligations set out in clause 10.1 will not apply to the extent that:
- (a) the consent of the other party has been obtained in relation to the relevant disclosure;
- (b) such confidential information has become public knowledge, or is already in the public domain, other than as a result of any unauthorised disclosure by a party or its officers, employees, agents, contractors, representatives or advisers;
- (c) such disclosure is required by law or court order or regulatory authority having jurisdiction over a party; and/or
- (d) the disclosure is reasonably required by a party to perform its obligation(s) arising under this Agreement.
- 11. NOTICE AND DELIVERY**
- 11.1 Notices: Any notice given under this Agreement will be in writing and addressed to the party to whom it is to be sent at the address set out in this Agreement or otherwise designated from time to time by that party in writing to the other party. Delivery of such notice may be effected by hand, by post or airmail with postage prepaid, or by email.
- 11.2 Deemed receipt: Any notice given under this Agreement will be deemed to have been received:
- (a) if delivered by hand, at the time of delivery;
- (b) if sent by post, on the third business day after the date of mailing; and
- (c) if delivered by email, on the business day the email is sent, provided that the email was correctly addressed to the address provided by the addressee for the receipt of email and no error message was received by the information system used by the sender to send such email. If any notice given under this Agreement is not given on a business day, or is given after 5:00pm on the day concerned in the place in which it is given, the notice will be deemed not to have been given until 9:00am on the next business day.
- 11.3 Other modes of service: The provisions of this clause 11 are in addition to any other mode of service permitted by law.
- 12. GENERAL**
- 12.1 Entire agreement: This Agreement sets out the entire agreement and understanding between the parties in respect of its subject matter, and supersedes all prior arrangements, undertakings, representations and warranties by or between the parties in relation to the same.
- 12.2 Variation: You acknowledge and agree that MO may (in its sole discretion and without prior consultation with you) vary these general terms from time to time, provided that such variation does not materially alter or frustrate the intent of this Agreement. The latest version of these general terms is available on request from MO or on MO's website [www.modesignco.com](http://www.modesignco.com).
- 12.3 Severability: If any provision of this Agreement is, or becomes, unenforceable, illegal or invalid for any reason, the relevant provision will be deemed to be modified to the extent necessary to remedy such unenforceability, illegality or invalidity, or if this is not possible, then such provision will be severed from this Agreement without affecting the enforceability, legality or validity of any other provision of this Agreement.
- 12.4 No waiver: No delay, grant of time, release, compromise, forbearance (whether partial or otherwise) or other indulgence by MO in respect of any breach of your obligation(s) under this Agreement is to:
- (a) operate as a waiver or prevent the subsequent enforcement of such obligation(s); or
- (b) be deemed a delay, grant of time, release, compromise, forbearance (whether partial or otherwise) or other indulgence in respect of, or a waiver of, any subsequent or other breach.
- 12.5 Subcontract: MO will be entitled to (in its sole discretion) subcontract any person to provide any or all of the Services.
- 12.6 Assignment:
- (a) You may not assign or otherwise transfer or attempt to assign or otherwise transfer any right or obligation arising out of this Agreement without obtaining MO's prior written consent.
- (b) MO may assign or otherwise transfer any right or obligation arising out of this Agreement to any person, provided that such person is reasonably qualified to provide the Services in accordance with this Agreement and MO provides you with prior written notice of such assignment or transfer.
- 12.7 Non-solicitation: You will not, without MO's prior written consent, directly or indirectly solicit or offer employment to:
- (a) employees of, or individuals contracting to, MO; or
- (b) a person who has been an employee of, or individual contracting to, MO within six months of the date that such person leaves the employment of, or ceases its contract with, MO,
- but the above restrictions do not preclude you from recruiting an employee who has been made redundant, or an employee or a former employee of, or individual contracting to or formerly contracting to, MO as a result of such employee or individual responding to a media advertisement placed by you and cease to apply six months after termination or expiry of this Agreement.
- 12.8 Dispute resolution:
- (a) If any dispute arises between the parties relating to this Agreement or any part of it (Dispute), either party may notify the other party of the Dispute and both parties will promptly meet to attempt to resolve the Dispute in good faith.
- (b) If the Dispute remains unresolved after the expiry of 10 business days from the date that notice of the Dispute is first given, either party may refer the Dispute (by written notice to the other party) for mediation by a single mediator agreed between the parties.
- (c) If the parties are unable to agree on the person to be appointed mediator, the mediator will be appointed at the request of either party by the chairperson or any other similar office holder for the time being of the New Zealand chapter of LEADR.
- (d) Where the Dispute is not resolved within 10 business days of the date of commencement of mediation, either party may terminate the mediation process and initiate court proceedings in relation to the Dispute or any part of it.
- (e) Subject to any right either party may have to apply to a court for any urgent equitable relief in respect of a Dispute, completion or termination of mediation will be a condition precedent to the commencement of any other form of dispute resolution proceeding, including (without limitation) the initiation of court proceedings, in relation to the Dispute or any part of it.
- 12.9 Construction: This Agreement will not be construed adversely in respect of a party solely because that party prepared or procured the preparation of this Agreement.
- 12.10 Further assurances: Both parties will take all steps necessary to give full effect to this Agreement, including (without limitation) executing such further documents and doing such further acts as may be necessary or desirable to implement the terms of this Agreement.
- 12.11 Governing Law: This Agreement is governed by New Zealand law and the parties agree to submit to the exclusive jurisdiction of the New Zealand courts.