

TRAFFIC SIGN WARRANTY AGREEMENT

Nikkalite[®]

DATED

PARTIES:

1. RENNICKS (UK) LIMITED whose registered office is at Stuart Road, Manor Park, Runcorn, Cheshire, WA7 1TS ("Rennicks")
2. [] whose registered office is at: ("the Manufacturer")

Whereas

- (1) Rennicks and the Manufacturer have agreed terms for the supply to The Manufacturer by Rennicks of Nikkalite® reflective sheeting, overlay film and non-reflective film manufactured by Nippon Carbide Industries Co. Inc ("NCI") to be used in the manufacture of traffic signs by the Manufacturer.
- (2) Rennicks, the Manufacturer and NCI have agreed to give a join Warranty to consumers of the Signs, the terms of which are set out in Schedule 1;
- (3) Rennicks and the Manufacturer have agreed a procedure for dealing with the repair or replacement of defective Signs

IT IS HEREBY AGREED AS FOLLOWS:-

1. DEFINITIONS

In this Agreement and the Schedules hereto unless there is something in the subject or context inconsistent therewith the following expressions shall have the following meanings:-

- "The Products" means Nikkalite Crystal grade, Ultralite Special, Dewtect-S, Anti-graffiti, Super Engineering Grade, A100 Series Overlay Film, Engineering Grade sheeting, Non-reflective film and inks sold under the trade marks "Nikkalite" and "Nikkacal" and supplied by Rennicks for the manufacture of traffic signs;
- "The Standards" means the standards set out in the up to date Technical Manuals of Nippon Carbide Industries Co. Inc., and as amended by NCI from time to time.
- "NCI" means Nippon Carbide Industries Co. Inc., a company incorporated in Japan.
- "The User" means the owner of the Signs whilst they are used or are to be used as traffic signs.
- "Warranty" means the Warranty in the terms set out in Schedule 1 as amended by Rennicks from time to time.
- "the Signs" traffic signs (excluding posts, clips or banding) made with the Products and sold or to be sold with the benefit of the Warranty;
- "Warranted Performance" means the standards of performance specified in the Warranty.

2. SUPPLY OF THE PRODUCTS

- 2.1 Rennicks shall (subject to availability) sell and the Manufacturer shall purchase the Products for use in the manufacture of the Signs in such quantities as the Manufacturer shall from time to time order in writing.

2.2 The Products shall be sold subject to Rennicks standard conditions of sale in force at the date of the order.

2.3 The price of the Products sold pursuant to any order shall be Rennicks Price List current at the date of dispatch of the Products the subject of such order.

3. MANUFACTURE OF THE SIGNS USING THE PRODUCTS

3.1 The Manufacturer warrants that:

- (a) the Signs produced by it shall conform to the standards;
- (b) it will establish and maintain production quality procedures acceptable to Rennicks;
- (c) it shall not without Rennicks consent use any reflective materials intended for a purpose similar to the Products in the manufacture of Signs;
- (d) it will clearly identify each Sign with the name of the Manufacturer and date of manufacture.
- (e) it will record and retain the lot numbers of the products used in the manufacture of each sign.

3.2 The Manufacturer shall ensure that its employees which use the Products or other materials supplied by Rennicks in the manufacture of Signs are supervised by persons with full knowledge and understanding of the Standards.

3.3 Rennicks shall be entitled to examine and test any of the Signs. The Manufacturer shall remake or replace at its own cost any Sign which Rennicks considers does not comply with the Standards.

3.4 The Manufacturer shall provide the User with all information reasonably necessary to enable the User to store, transport and erect the Signs in a satisfactory manner. For that purpose the Manufacturer shall ensure that such information is consistent with information published by Rennicks and Nippon Carbide Industries Co. Inc.

- 3.5 (a) The Manufacturer shall if required by Rennicks ensure that any of its employees engaged in the manufacture of the Signs shall at the expense of Rennicks (subject to subclause (b) below) attend training sessions in current or new methods for the manufacture of the Signs;
- (b) The Manufacturer shall be responsible for all travel, subsistence and other expenses of its employees in relation to such training.

4. THE WARRANTY

The Manufacturer shall jointly with Rennicks and NCI give a Warranty to Users of the Signs in the United Kingdom in the terms set out in Schedule 1 as amended from time to time.

5. NO REPRESENTATIONS ON BEHALF OF RENNICKS OR NCI

The Manufacturer shall ensure that any statements or representations made to the User or any purchaser of the Signs whether by its employees agents or otherwise on its behalf accurately reflect the attributes of the Products as stated in information supplied to the Manufacturer by Rennicks.

6. COMPLAINTS

The Manufacturer and Rennicks agree that complaints in respect of the Signs shall be dealt with as follows:

- 6.1 In the event that the Manufacturer receives any complaint relating to the Signs the Manufacturer shall within 3 weeks thereof provide full details to Rennicks in writing and at Rennicks request, provide a sample.
- 6.2 Rennicks shall investigate the complaint and report to the Manufacturer the results of such investigation within 3 weeks of receipt of the details & samples.
- 6.3 The manufacturer shall inform the User Promptly of the results of such Investigation and in any event no later than 3 weeks of the receipt of the results from Rennicks.

7. REPLACEMENT AND REPAIR OBLIGATIONS

- 7.1 The results of any investigation of a complaint undertaken by Rennicks shall be final and conclusive and the parties agree to be bound by them. Such investigation shall, inter alia and so far as is possible in any particular case, identify the defect giving rise to the complaint and determine the cause of the defect and the party responsible for it.
- 7.2.1 In the event that a Sign falls below the Warranted Performance due to a defect in the Products and that Sign has been manufactured in accordance with the obligations set out in Clause 3 above the Manufacturer will replace or repair (at Rennicks sole discretion) that Sign and Rennicks will reimburse the Manufacturer either for the cost of repair of the Sign on site or of replacing the Sign (including reinforcing clips and bands but not posts or electrics) and the cost of its removal and the erection of a replacement Sign, in either case less any scrap value of the faulty Sign retained by the Manufacturer.
- 7.2.2 In the event that a Sign falls below the Warranted Performance due to the Manufacturer's failure to comply with the Standards or its obligations set out in Clause 3 above or due to a defect in materials other than the Products, the Manufacturer will either remove the Sign and supply and erect a new one in its place or repair the Sign on site. The expense of repair or replacement shall be borne by the Manufacturer.
- 7.2.3 In the event that a Sign falls below the Warranted Performance due to both a defect in the Products and the Manufacturer's failure to comply with the Standards or its obligations set out in clause 3 above or a defect in materials other than the Products or if the reason for failure to meet the Warranted Performance cannot reasonably be ascertained then the Manufacturer will replace or repair the Sign in accordance with clause 7.2.2 at the joint cost of the Manufacturer and Rennicks.
- 7.3 Where a User pays part of the cost of replacing or repairing the Sign in accordance with paragraphs 5 and 6 of the Warranty, the Manufacturer shall account to Rennicks for a proportion thereof calculated pro rata to Rennicks contribution to the costs of repair or replacement.
- 7.4 The Manufacturer shall at the request of Rennicks produce all documents relating to the replacement of any Sign pursuant to Clauses 6.1, 6.3, 7.2.1, 7.2.4 and 7.3 above.

8. SIGNMAKERS SOLE LIABILITY FOR SIGNS

Rennicks shall not be liable to make any contribution (and the Manufacturer shall indemnify Rennicks in respect of any claim made against Rennicks by the User) in respect of any claim arising from the failure of the Manufacturer to make a Sign in accordance with the instructions of the User.

9. CONTINUING OBLIGATIONS

In the event that this Agreement expires or is terminated the parties shall continue to be subject to their respective obligations to each other under the terms of clauses 6, 7 and 8 until all legal obligations to the User in respect of Signs manufactured pursuant to this Agreement have expired.

10. CONFIDENTIALITY

- 10.1 In this Agreement "Confidential Information" shall mean all information (including information relating to the Products, the Standards, this Agreement or the business of Rennicks or NCI) emanating from Rennicks that is not publicly known including any compilation of otherwise public information in a form not publicly known but not including:
- (a) information that, at the time of disclosure, is publicly known;
 - (b) information that, after disclosure, becomes publicly known other than as a result of a breach of this Agreement or a duty of confidence owed to Rennicks;
 - (c) information that the recipient can prove was known to it prior to the disclosure;
 - (d) information that the recipient can prove was made known to it by a third party who was entitled to do so and who did not impose any obligation of confidentiality or restricted use.
- 10.2 The Manufacturer agrees that it will not and will procure that its employees will not, either during or after the expiry of this Agreement, make any unauthorised use or disclosure of any Confidential Information. The Manufacturer shall take all reasonable precautions to prevent such disclosure or use and shall notify Rennicks immediately it becomes aware of any such disclosure or use.

11. TERMINATION

- 11.1 Either party may terminate this Agreement upon 30 days written notice to the other party.
- 11.2 Rennicks may terminate this Agreement immediately by notice in writing if:
- 11.2.1 the Manufacturer fails to perform or observe any term of this Agreement and, in the case of any remediable breach, fails to remedy such breach to the satisfaction of Rennicks within 21 days of receipt of notification requiring it to do so;
 - 11.2.2 the Manufacturer ceases to carry on the business in respect of which this Agreement has been made;
 - 11.2.3 the Manufacturer is unable or unwilling to discharge its obligations under this agreement;
 - 11.2.4 any order is made or an effective resolution is passed for the winding up or dissolution of the Manufacturer;
 - 11.2.5 a receiver, trustee, liquidator or similar officer is appointed in respect of the Manufacturer or any of its property or assets;
 - 11.2.6 the Manufacturer is unable to pay its debts within the meaning of Section 123 or 268 of the Insolvency Act 1986.
- 11.3 Upon termination of this Agreement the Manufacturer shall return to Rennicks all documents supplied by Rennicks which relate to the Products or any aspect of the business of Rennicks together with all copies thereof.

12. ENTIRE AGREEMENT

- 12.1 This Agreement and its Schedules constitute the entire agreement between the parties concerning the supply of the Products (save as to the terms of individual contracts for the Products) and for the provision of the Warranty for the Signs. It supersedes all previous understandings, commitments, representations whatsoever whether oral or written.
- 12.2 No amendment of this Agreement shall be effective unless in writing and signed by or on behalf of the parties.

13. SERVERABILITY

The invalidity of any provision in this Agreement shall not affect the continuing enforceability of the remaining provisions.

14. RIGHTS AND REMEDIES

The waiver of any right herein contained by either party shall not be construed as a waiver of the same right at a future date or as a waiver of any other right.

15. NOTICES

Any notice or other communication required to be given hereunder shall be given by hand, post or telex addressed to the party to receive such notice at its address contained in this Agreement or such other address as shall have been notified to the other for the purposes of this Agreement. Any notice so given by post shall be deemed served at the expiration of 3 days after it is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted as a first class pre-paid letter. Any notice given by telex shall be deemed to have been served at midnight on the date on which it was dispatched.

16. NO PARTNERSHIP OR AGENCY

Nothing in this Agreement shall create a partnership or joint venture between Rennicks or NCI and the Manufacturer. The Manufacturer shall not and shall procure that its employees or agents shall not assume any obligations or make any representation on behalf of Rennicks or NCI nor bind Rennicks or NCI in any manner whatsoever nor represent itself as being the agent of Rennicks or NCI save as expressly referred to in paragraph 4 hereof.

17. ASSIGNMENT

The Manufacturer may not assign, transfer or otherwise dispose of the whole or any part of its rights or obligations under this Agreement or any rights or obligations arising from any individual contract for the purchase of the Products without the prior written consent of Rennicks. Rennicks shall be entitled to assign the whole or in part any of its rights or obligations hereunder or arising from any individual contract for the purchase of the Products without reference to the Manufacturer.

18. PROPER LAW

When signs have been manufactured in areas covered by English Law, the Agreement shall be interpreted in all respects in accordance with the laws of England. The parties hereby submit to the non-exclusive jurisdiction of the Courts of England for the determination of any question or dispute arising in connection with this Agreement or any individual contract for the sale of the Products.

For signs manufactured in Scotland, the Agreement shall be interpreted in all respects in accordance with the laws of Scotland. The parties hereby submit to the non-exclusive jurisdiction of the Courts of Scotland for the determination of any of any question or dispute arising in connection with this Agreement or any individual contract for the sale of the Products.

WARRANTY

This Warranty is given by Rennicks (U.K.) Limited/Nippon Carbide Industries Co, Inc., (“Rennicks/NCI”) and the Signmaker jointly and severally to the customer (“the User”) in respect of permanent traffic signs manufactured using the following substrates; Aluminium, HP 200 steel and approved aluminium composites Blackburns Composite Panel and Dibond Traffic substrate (excluding posts clips or banding on a sign) to be used in the United Kingdom and to which the Road Traffic Regulation Act 1984 applies (“the signs”).

1. Rennicks/NCI and the Signmaker warrant that the Signs shall perform in accordance with the standards set out in the schedule provided that this Warranty will not apply where the Signs have been;
 - 1 Packaged, stored, transported, maintained or cleaned other than in accordance with the recommendations of Rennicks/NCI.
 - 2 Erected other than in accordance with the Signmaker’s recommendations.
 - 3 Damaged or contain a fault caused other than by normal use or caused by abnormal weather conditions.
 - 4 Manufactured to any order which specifies a method of manufacture other than Rennicks/NCI’s approved method of manufacture.
- 2 Subject to such proviso Rennicks/NCI and the Signmaker jointly and severally agree to replace or repair or dismantle and re-erect at their option any Signs which fail to perform in accordance with the standards set out in the schedule on the following terms.
- 3 The user must notify the Signmaker or Rennicks/NCI immediately upon discovery of any fault in a Sign and must allow facilities for access to the Sign. Repairs shall be completed or a replacement provided within a reasonable period after notification of the fault.
- 4 This Warranty shall commence in respect of each of the Signs on the First day of the fourth month after the month in which the Sign was manufactured (“the commencement date”). However, the responsibilities and obligations of Rennicks/NCI and the signmaker shall only become effective upon full payment to the Signmaker for the Sign.
- 5 Where the sign is made primarily of "Nikkalite Crystal grade" sheeting the Warranty shall be for a period of nine years after the commencement date and in the tenth, eleventh and twelfth years after commencement date the terms of the Warranty will apply only upon the basis that Rennicks/NCI will furnish the necessary amount of retroreflective sheeting to enable the sign surface to be restored to its original effectiveness.

CRG	Replacement cost of sign face paid by Rennicks / NCI	Cost of dismantling and re-erecting paid by Rennicks / NCI
9 th year	100%	100%
10 th year	Crystal grade sheeting only	0%
11 th year	Crystal grade sheeting only	0%
12 th year	Crystal grade sheeting only	0%

- 6 Where the sign is made primarily of “Ultralite Special” sheeting the Warranty shall be for a period of seven years after the commencement date and in the eighth, ninth, tenth, eleventh and twelfth years after the commencement date the terms of the Warranty will apply only upon the basis that the user of the sign in question must agree to pay for part of the work as follows:

ULS	Replacement cost of sign face paid by Rennicks / NCI	Cost of dismantling and re-erecting paid by Rennicks / NCI
8 th year	100%	50%
9 th year	50%	35%
10 th year	50%	20%
11 th year	15%	0%
12 th year	7.5%	0%

7 Where “Nikkalite DEWTECT-S” dew resistant sheeting is applied over the surface of Nikkalite Crystal grade or Nikkalite Ultralite Special sheeting it will remain effective for its Intended use and meet the stated minimum values for coefficient of retroreflection for twelve years, subject to the following provisions.

In respect to dew resistant performance the Warranty for Nikkalite DEWTECT-S dew resistant sheeting in the first seven years will be as conditions below;

- (1) Warranty for retroreflective performance
Nikkalite Crystal grade reflective or Nikkalite Ultralite Special series reflective sheeting which the Nikkalite DEWTECT-S dew resistant film is applied retains its original Warranty.
- (2) Warranty for dew resistance performance
If Nikkalite DEWTECT-S fails to fulfill the dew resistance requirements within 7years, NCI will compensate the purchaser for 100% of the original cost of the Nikkalite DEWTECT-S film.

Static Water Contact Angle for Nikkalite Dewtect-S

Warranty Period	Static Water Contact Angle
In the first 7 years	≤25°
After 7 years	No warranty

8 Where “Nikkacal Anti-graffiti” EF40801 is applied to “Nikkalite Crystal grade” or “Nikkalite Ultralite Special” series reflective sheeting the base reflective sheeting will remain effective for its intended use and meet the stated minimum values for coefficient of retroreflection for twelve years, subject to the following provisions.

In respect of anti-graffiti performance, Rennicks/NCI warrants “Nikkacal Anti-graffiti” EF40801 film for anti-graffiti performance in the first 7 years as below conditions.

- (1) Warranty for retroreflective performance
“Nikkalite Crystal grade” reflective or “Nikkalite Ultralite Special” series reflective sheeting to which the “Nikkacal Anti graffiti” EF40801 film is applied retains its original Warranty.
- (2) Warranty for Anti-graffiti performance
If “Nikkacal Anti graffiti” EF40801 fails to fulfill the Anti-graffiti performance within 7 years, Rennicks/NCI will compensate the purchaser for 100% for the original cost of the “Nikkacal Anti graffiti” EF40801 film.

9 Where the sign is made primarily of “Nikkalite Super Engineering Grade” sheeting the Warranty shall be for a period of seven years after the commencement date and in the eighth, ninth and tenth years after the commencement date the terms of the Warranty will apply only upon the basis that the user of the sign in question must agree to pay for part of the work as follows:

SEG	Replacement cost of the sign face paid by Rennicks / NCI	Cost of dismantling and re-erecting paid by Rennicks / NCI
8 th year	100%	50%
9 th year	50%	35%
10 th year	50%	20%

- 10 Where the Sign is made primarily of “Nikkalite Engineering Grade Sheeting” or “Nikkacal Non-Reflective Film” the Warranty period shall be for five years from the commencement date and in the sixth and seventh year after the commencement date the terms of the Warranty will apply only upon the basis that the user of the Sign must agree to pay for part of the work as follows:

EG / NR	Replacement cost of the sign face paid by Rennicks / NCI	Cost of dismantling and re-erecting paid by Rennicks / NCI
6 th year	75%	20%
7 th year	50%	15%

- 11 If a sign is replaced under the Warranty the new Sign will be deemed to be the Sign replaced for the purpose of this Warranty and if a Sign is repaired the repair will not in any way extend the term of the Warranty.
- 12 Save for liability for death or personal injury arising from the negligence of Rennicks/NCI and the Signmaker (which if proved is not excluded) the obligations of Rennicks/NCI and the Signmaker as expressly described in this Warranty shall constitute the full extent of their liability in respect of any loss or damage sustained by the user whether caused by any breach of this Warranty or by misrepresentation or by the negligence of Rennicks/NCI or the Signmaker their employees or agents and they shall not be liable for any consequential loss, damage or expense suffered by the user.
- 13 Except as expressly provided for in this Warranty, all conditions and warranties whether expressed or implied by statute or common law shall be excluded.
- 14 Arbitration
Where the sign has been manufactured in areas covered by English Law, this Warranty shall be governed by English law and any dispute as to its terms shall be referred to an arbitrator appointed by agreement between the user, the Signmaker and Rennicks/NCI and in default of agreement within 21 days to be appointed by an active member of the Institution of Highways and Transportation.
- For signs manufactured in Scotland, this Warranty shall be governed by Scottish law and any dispute as to its terms shall be referred to an arbitrator and the arbitration shall be conducted in accordance with the Arbitration Acts 1950 and 1979 in so far as they apply to Scotland and with the Arbitration (Scotland) Act 1894. The Arbitrator will be appointed by agreement between the User, the Signmaker and Rennicks/NCI and in default of agreement within 21 days to be appointed by an active member of the Institution of Highways and Transportation.
- 15 The benefit of this Warranty shall not be assigned unless such assignment has been expressly authorised in writing by Rennicks/NCI and the Signmaker.

SCHEDULE 1

Nikkalite Crystal grade ("CRG"), Ultralite Special Grade ("ULS"), Nikkalite Super Engineering Grade ("SEG"), Nikkalite Dewtect-S, Nikkacal Anti graffiti EF40801 and A100 Series Overlay Film or Nikkalite Engineering Grade ("EG") Reflective Sheeting and Nikkacal Non-Reflective Film shall for the Warranted period provide satisfactory performance for its intended purpose when viewed by a driver from a moving vehicle under normal day or night driving conditions.

The Nikkalite faced surface of the Sign shall not, during, the Warranted period, crack nor separate from the substrate of the Sign under normal and usual conditions.

The average coefficient of retroreflection of the Sign measured after cleaning, shall not during the Warranty period fall below the values set out in the following table:

Entrance angle -5° rotation angle 90°, values are (cd/lux/m2), for original self coloured sheeting

	Observation angle	White	Yellow	Red	Blue	Dark Green
CRG	20'	332	231	66	16	16
	30'	161	108	31	7.7	7.7
ULS	12'	150	102	27	12	12
	20'	108	72	15	8	8
SEG	12'	60	40	10	4	8
	20'	40	30	7	2	5
EG	12'	38	25	6	2	/
	20'	25	18	5	1.5	/

A Sign made primarily from Nikkacal Non-Reflective Film shall during the Warranty period provide satisfactory performance for its intended purpose when viewed by a driver from a moving vehicle under normal day or night conditions.

PERIOD OF WARRANTY

Effective from 1st September 2007.

The following table sets out the Warranty Period which shall commence from the first day of the fourth month after the month in which the Sign was manufactured.

"CRG"	12 Years
"ULS"	12 Years
"SEG"	10 Years
"EG"	7 Years
"DEWTECT-S"	7 Years
" Anti-Graffiti EF40801"	7 Years
"NIKKACAL"	7 Years
"A100 Series Overlay Film" Equivalent to Base Film	

All Warranted Signs shall be manufactured fully in accordance with the regulations established by the Specifying Authorities in England and Wales, Scotland and Northern Ireland.

A100 SERIES OVERLAY FILM

The Warranty Period for traffic signs constructed with Nikkalite Reflective Sheeting Base Film and A100 Series Overlay Film will be equivalent to that of the base film grade.



SILK SCREEN PRINTED SIGNS

NIKKALITE CRYSTAL GRADE SIGNS

When Silk screen printed with Nikkalite Red and Blue N3600 series translucent silk screen printing inks in accordance with the manufacturer's instructions, the average coefficient of retroreflection of White Crystal Grade will not be less than 70% of the values shown above for Red and Blue Crystal Grade.

ULTRALITE SPECIAL SIGNS

When Silk screen printed with Nikkalite Red and Blue N3500/N3600 series translucent silk screen printing inks in accordance with the manufacturer's instructions, the average coefficient of retroreflection of White Ultralite will not be less than 70% of the values shown above for Red and Blue Ultralite.

SUPER ENGINEERING GRADE / ENGINEERING GRADE SIGNS

When Silk Screen printed with Nikkalite Red and Blue N3500/N3600 series translucent silk screen printing inks in accordance with the manufacturer's instructions, the average coefficient of retroreflection of White Super Engineering Grade and White Engineering Grade will not be less than 70% of the values shown above for Red and Blue Super Engineering Grade and Engineering Grade.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written

SIGNED for and on behalf of _____

Rennicks in the presence of _____

Rennicks Witness

Address

Occupation

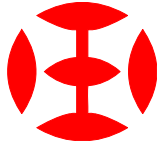
SIGNED for and on behalf of) _____
The Manufacturer as defined) _____
on page 1 hereof in the) _____
presence of:-) _____

Customer Witness

Address

Occupation

Date



Nippon Carbide Industries Co., Inc.

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