

Addendum to Consultant Agreement for access to StoryBook Website Facilities
("Agreement")

Parties

Creative Memories New Zealand Limited (903429) of c/- Buddle Findlay, Level 17, PricewaterhouseCoopers Tower, 188 Quay Street, Auckland ("Creative Memories"); and

The Consultant who accepts the terms of this Agreement by using the Consultant's ID and password and clicking on the acceptance box at the end of this Agreement ("the Consultant").

Offer of StoryBook Website Facilities

1. Subject to the terms of this Agreement, Creative Memories offers to make available to the Consultant website facilities for the purpose of processing orders from the Consultant's customers for StoryBook products utilizing Creative Memories' computer systems, including:
 - a. access to and usage of Creative Memories' computer systems in connection with the supply of StoryBook products to the Consultant's customers;
 - b. making available facilities for the Consultant's customers to place orders for StoryBook products and to transmit materials to be incorporated in the StoryBook products to be supplied to the Consultant's customer; and
 - c. making available customer payment and delivery facilities.
2. Creative Memories will make arrangements with its suppliers for the printing and delivery of StoryBook products ordered by the Consultant's customers by means of Creative Memories' StoryBook website facilities.
3. Creative Memories will act as the Consultant's agent for the purposes of receiving on behalf of the Consultant the customer's payment for the price of the StoryBook products, Subject to the provisions of this Agreement, the payments held on behalf of the Consultant will be held in a trust account established for the benefit of all Consultants selling StoryBook products. All payments by the Consultant's customers for StoryBook products shall be made by credit card using the StoryBook website facility. Title in the StoryBook products shall pass from Creative Memories to the Consultant on payment of the price of the StoryBook products sold to the Consultant's customer into the trust account. This is a limited agency arrangement extending only to the receipt of the price of the StoryBook

products on behalf of the Consultant and making arrangements for the delivery of the products to the Consultant's customer.

4. The Consultant irrevocably authorises Creative Memories to withdraw from the funds held in the trust account on behalf of the Consultant and pay into Creative Memories' own account an amount equal to the sum of the Consultant Purchase Price for the StoryBook items purchased by the Consultant and the Management Fee. Creative Memories shall pay the balance of the price of the StoryBook products to the Consultant held in Trust on the Consultant's behalf within 7 working days of the end of the calendar month in which the payment is received by Creative Memories on behalf of the Consultant. In this Agreement:
"Consultant Purchase Price" means the purchase price of the Storybook items purchased by the Consultant as listed in the Consultant Order Form current at the time the Consultant makes the sale to his or her Customer, plus the applicable freight charge and GST.
"Management Fee" means: the service payable to Creative Memories for its facilitation of the sale of StoryBook items, acceptance of payment on behalf of the Consultant, provision of a monthly reconciliation of the Consultant's account and direct payment to the Consultant of the balance of monies held in trust for the Consultant. The Management Fee is calculated at 1% of the payment monies received into the trust account on behalf of the Consultant.
5. It is the Consultant's responsibility to become familiar with all relevant laws affecting the Consultant's sale of StoryBook products to the Consultant's customers, the use for the StoryBook website facility and the online ordering facility. The Consultant must comply with all relevant laws including the Fair Trading Act 1986, Consumer Guarantees Act 1993, tax legislation, privacy legislation and anti-spam legislation. In addition, the Consultant must comply with Creative Memories' Website privacy Policy, the Consultant Agreement and the Policy and Procedure Manual.
6. The use of the Creative Memories StoryBook website facilities is at the sole risk of the Consultant and the Consultant's customers. The StoryBook website facilities are provided on an "as is" and "as available" basis. To the fullest extent permitted by applicable law, Creative Memories expressly disclaims all conditions and warranties of any kind, whether express or implied, including, but not limited to, the implied conditions and warranties of merchantability and fitness for a particular purpose. Creative Memories makes no warranty that the website or supply of StoryBook products will be secure, accurate, timely, uninterrupted or error-free. Creative Memories does not warrant or guarantee that any information or materials will be free from infection by viruses, worms, Trojan Horses or any other contaminating or destructive properties. Any material downloaded or otherwise obtained through the use of the StoryBook website facilities is done at the sole discretion and risk of the Consultant or the Consultant's customers who will be solely responsible for any damage to their

respective computer systems or any loss of data that results from the download of any such material.

It is expressly agreed and understood that, except to the extent required by applicable law, Creative Memories will not be liable to the Consultant or the Consultant's customers for any direct, indirect, incidental, special consequential or exemplary damages, including but not limited to, damages for loss of profits, goodwill use data or other intangible losses (even if Creative Memories has been advised of the possibility of such losses), resulting from (i) the use or inability to use the StoryBook website facility; (ii) the cost of procurement of substitute goods, data, information, products, materials or services purchased or obtained or messages received or transactions entered into through or from the use of the StoryBook website materials; (iii) unauthorized access to or alteration of transmissions, materials or data from the Consultant or the Consultant's customers or (iv) any other matter relating to the StoryBook website facilities.

7. Subject to clauses 8, 9 and 10, this Agreement shall be for an initial term of one year. Subject to the Consultant's compliance with the terms of this agreement, the term may be renewed for successive terms of one year by mutual consent.
8. The Consultant may terminate this Agreement by giving not less than one month's written notice to Creative Memories.
9. Creative Memories may terminate this Agreement by written notice to the Consultant if:
 - a. the Consultant breaches any provision of this Agreement and, where the breach is capable of remedy, does not remedy the breach within one month of a written notice from Creative Memories specifying the breach and requiring its remedy. If the breach is not capable of remedy, the Agreement shall terminate on written notice to the Consultant; and
 - b. if the Consultant becomes insolvent or is declared bankrupt, or ceases to be an active Consultant.
10. This Agreement shall terminate automatically if the Consultant Agreement to which the Consultant is a party is terminated or expires without renewal.
11. The StoryBook website facilities are controlled by Creative Memories from its Head Office in [Auckland]. Regardless of where the Consultant or any customer of the Consultant accesses the StoryBook website facilities, this Agreement shall be governed by the laws of [New Zealand], and the Courts of New Zealand shall have non-exclusive jurisdiction over any dispute arising out of this Agreement. The Consultant irrevocably submits to the jurisdiction of New Zealand.
12. The Consultant may not assign any rights or obligations under this Agreement.

