

SUMMARY OF TERMS & CONDITIONS AND LICENCE: "MASTER AGREEMENT"

These are the standard terms which apply to all work we carry out for you ("Services"), and to the software we provide, whether our proprietary software or third party software which we supply ("Software").

1 Order Acceptance

- 1.1 The terms and conditions in this document will apply to any orders from you for Services or Software, and will supersede any other terms and conditions referred to, offered or relied on by you, unless otherwise expressly agreed by us in writing.
- 1.2 No variation to these terms will be binding unless signed by one of our directors.
- 1.3 Any order you place with us will constitute an offer to us subject to these terms and conditions and will be subject to acceptance by us.
- 1.4 Any third party hardware, communications or software products which we provide will be subject to the supplier's terms and conditions, including the licences concerned.

2 Charges and Payment

- 2.1 We will apply resources agreed by us to the Services and will charge for these resources on a time and materials basis unless otherwise agreed in writing.
- 2.2 We will charge for all work at the published rates current at the time the work was carried out. Our standard rates are published in the current version of our document ref. SLS/203 which is updated from time to time. The rates at the time of purchase will be detailed in your original proposal document.
- 2.3 Rates are based on the provision of Services during Working Hours and do not include the cost of provision of Services outside such hours, which will be charged at higher rates.
- 2.4 Our charges are exclusive of Value Added Tax and any similar taxes. All such taxes are payable by you and will be applied in accordance with prevailing legislation in force at the tax point date.

3 Payment Terms

- 3.1 Our standard payment terms for Services are the value of effort expended each month, payable monthly in arrears within 30 days of the invoice date.
- 3.2 Payments which are not received when payable will be considered overdue and remain payable by you together with interest for late payment from the date payable at the rate of 4% per annum above the base rate for the time being of the Royal Bank of Scotland plc applicable as well after as before any judgment. Such interest will accrue on a daily basis and be payable on demand.
- 3.3 Notwithstanding the above provisions for late payment, in such event we may, at our option and without prejudice to any other remedy at any time after payment has become due, terminate or temporarily suspend some or all of the terms and conditions of this Agreement with you.
- 3.4 If we become entitled to terminate this Agreement for any reason, any sums then due to us will immediately become payable in full.
- 3.5 If you dispute one of our invoices, you must inform us within 14 days of the invoice date. You may withhold payment of the amount in dispute until resolution of the dispute, but the undisputed balance must be paid according to our payment terms set out above.

4 Estimates

- 4.1 It is in the nature of software development that the work and the schedule change as the project progresses, so we cannot guarantee delivery dates or any other time estimate or the amount of effort required and hence the costs.
- 4.2 We undertake to keep you informed of changes to any timescale and cost estimates and the reasons for them as soon as we are reasonably able to do so.

5 Rate Increases

- 5.1 We will normally give you one month's notice of revised standard rates or of promotion of staff.
- 5.2 If you are not willing to pay the additional costs for the staff assigned to your Services who are promoted, you are required to inform us in writing before we start to provide the Services and we will make the necessary arrangements to replace the staff who are promoted with alternatives at the original grade.

6 Delays

We reserve the right to charge you for any idle time spent by our staff while work has been suspended due to delays caused by you, for example because of non-payment or because you have not provided us with information we have requested or given us access to resources. These charges will be additional to any estimates we may have given you.

7 Software Licence

- 7.1 All intellectual property rights in the Developed Software will belong to us unless otherwise agreed in writing.
- 7.2 If it is agreed as above that the intellectual property rights in Developed Software are to belong to you then the rights will vest in you upon (i) acceptance by you of the Developed Software and (ii) receipt by us of full payment of all the Charges.
- 7.3 You acknowledge that copyright subsists in our Know-how, Software Products, Third Party Software and ASP Software. We will not transfer to you any rights of ownership, copyright, or other intellectual property in Know-how, Software Products, ASP Software, or in any trademarks or service marks.
- 7.4 We grant you a licence to use our Know-how under these terms and conditions, which is personal to you for use in the course of your business, as necessary for use with the Developed Software.
- 7.5 You will be in breach of the terms of this Agreement if you use the Software in a live environment before you have paid us in full.
- 7.6 You agree to comply with any additional Third Party Software conditions notified to you on or before delivery of any Third Party Software (including if so required the execution and return of a third party licence) and to indemnify us at the suit of a Third Party Software owner as a result of any breach by you of such conditions.

8 Acceptance

- 8.1 If you wish to define acceptance criteria for any of our Services, you must define those criteria and agree them with us in advance within three months of the estimated delivery date. If additional effort on our part is required to demonstrate that the Services and Software meet the criteria, we will increase the cost and timescale estimates accordingly.
- 8.2 If no acceptance criteria have been agreed, then acceptance of our Services and Software will be deemed to have taken place on delivery. If acceptance criteria have been agreed but you have not informed us of the results of your testing within two weeks of delivery of the Software, then acceptance of our Services and Software will be deemed to have taken place two weeks after delivery of the Software.

9 Marketing

Unless you inform us otherwise in writing, you permit us to use your name and logo in our marketing material, to refer to you as a client and to describe the work we are carrying out. Similarly, unless we inform you otherwise you may refer to us as a supplier and use our name and logo in your marketing material. Any reference on your website must include a link to our site.

10 Responsibilities

- 10.1 It is our responsibility to carry out the Services with all reasonable skill and care, based on the information we are given. We undertake to supply staff with the appropriate skills to carry out the Services.
- 10.2 Provision of the Services by us is subject at all times to performance by you of any conditions or undertakings associated with such Services which we have agreed.

10.3 You are responsible for ascertaining that the Services or the Software will meet your requirements. You are responsible for validation, error correction, backup and reconstruction of your software and data, unless otherwise agreed in writing.

11 Warranty

11.1 We warrant the Software and Services against incompetence or negligence on the part of our staff or their failure to follow written instructions from you. Where this can be demonstrated, we will carry out remedial work free of charge within 90 days of providing the Services.

11.2 We do not warrant that the Services or our Software will be error-free or that all our assumptions about your requirements have been correct. We do not warrant that the Software will operate in any environment or with any functional or performance characteristics other than as agreed by us in writing.

11.3 We do not warrant that the Software will operate according to any specification included in our proposals or tenders or any other document produced at our expense. Various work needs to be carried out by us with your active participation before any characteristics of the Software can be properly and adequately defined.

11.4 Except for the express warranties stated above we disclaim and exclude all other warranties whether express or implied in law or otherwise. Because of the nature of our Services and the Software, the above warranties are given instead of all other obligations on our part including, but not limited to, any warranty of satisfactory quality or fitness for a particular purpose, which you must have sole responsibility for determining.

12 Indemnities and Limits of Liability

12.1 You agree that you have accepted these terms and conditions in the knowledge that our liability is limited and that the charges payable have been calculated accordingly.

12.2 Our liability arising in connection with this Agreement for death or personal injury caused by our negligence will not be subject to a financial limit; and for direct damage to property caused solely either by defects in the software or by the negligence of our employees or sub-contractors acting within the course of their employment and the scope of their authority, will not exceed £1,000,000 for any one event or series of events.

12.3 Except as expressly stated in this clause and elsewhere in this Agreement, any liability by us for any breach of this Agreement will be limited in the aggregate of damages, costs, fees and expenses, to the total charges paid or due to be paid by you under this Agreement. In no event will we be liable for any costs of procuring substitute software or replacement services.

12.4 We will not be liable for any damages arising from negligence or otherwise, unless you have established reasonable back-ups, accuracy checks and security precautions to guard against possible malfunctions, loss of data or unauthorised access, and have taken all reasonable steps to minimise any loss and have carried out tests to determine the suitability of the Software for the purposes for which it is required.

12.5 We will not be responsible for, and you will have no claim against us in respect of, any loss or damage sustained by you because of late delivery, bugs or any other action by us or our staff, except where such loss can be shown to be due to incompetence or negligence or where our staff have ignored written instructions from you, in which case our liability will be limited to remedying the resulting defect.

12.6 Except as expressly stated in this Agreement, we disclaim all liability to you in connection with our performance of the Services or your use of the Software, and in no event will we be liable to you in contract or in tort (including negligence or breach of statutory duty) including but not limited to loss of income or loss of profits or arising from loss of data or unfitness for user purposes, and in no event will we be liable to you for special, indirect or consequential damages.

12.7 We will not pay liquidated damages or any other type of financial penalty.

12.8 You will indemnify us in respect of any third party claims which arise from any performance by us carried out on your instructions or those of your authorised representative.

12.9 You will indemnify us in respect of any liability, claim, loss, damage, cost or expense of any kind caused directly or indirectly, by any negligent act or omission by you, or by any claims arising from loss of data for any reason.

13 Confidentiality

13.1 We will each keep confidential and not disclose without the written consent of the other any confidential information that either of us may obtain in relation to this Agreement. This includes the Software and information relating to the Services. We will each take all reasonable steps to ensure that our employees, contractors and ex-employees are bound by the same obligation.

13.2 We may use your name as being one of our clients in our publicity and promotional material and as described in Section 9.

14 Employment Restriction

14.1 While this Agreement is in force and for a period of one year from its termination for any reason, neither of us will actively solicit nor canvass the employment of any person employed by or acting on behalf of the other party who was assigned to provide Services in connection with this Agreement in the preceding year.

14.2 If either of us should be in breach of this condition, that party will pay to the other party a sum equal to the gross annual salary or fees paid to that person by the other party in the immediately preceding 6 months, recognising that the other party will suffer substantial damage, and as an estimate of the actual financial loss that would accrue in that situation.

15 Termination and Effects of Termination

15.1 This Agreement may be terminated immediately by notice in writing:

- i. By us within 30 days of the date due if you fail to pay any sums due by the date payable notwithstanding the provisions for late payment in clause 3;
- ii. By either of us if the other party is in material or continuing breach of any of its obligations under these terms and conditions, and fails to remedy the breach (if capable of remedy) for 30 days after written notice of such breach, or if a second similar default occurs within 90 days of the original default;
- iii. By either of us if the other party is involved in any legal proceedings concerning its solvency, or ceases trading, or commits an act of bankruptcy or is adjudicated bankrupt or enters into liquidation, whether compulsory or voluntary, other than for the purposes of an amalgamation or reconstruction, or makes an arrangement with its creditors, petitions for an administration order or has a receiver or manager appointed over all or any part of its assets or generally becomes unable to pay its debts within the meaning of Section 123 or Section 268 of the Insolvency Act 1986.

15.2 Any such termination will be without prejudice to any accrued rights or outstanding obligations of either of us at the date of termination.

15.3 Either you or we may terminate this Agreement on giving at least six months' notice that it is to end.

15.4 In the event of termination by you under clause (iii) above only, the licence set out in clause 7 continues to be valid.

16 Data Protection

We will process any personal data stored by the Software and the Databases only in accordance with your instructions, and will comply with all security requirements reasonably required by you and as necessary for both parties hereto to comply with the provisions of the Data Protection Act 1998.