1 Interpretation

The following definitions and rules of interpretation apply in these Conditions and any Specific Terms.

1.1 Definitions

Business Day means a day other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.

Business Hours means the period from 9.00 am to 5.00 pm on any Business Day.

Conditions means these terms and conditions as varied from time to time in accordance with clause 21.8.

Contract means the contract between PSL and the Customer for the supply of a Solution or any element of a Solution in accordance with these Conditions and as set out in the relevant Order Form and Specific Terms.

Customer means the person or firm who purchases the Solution from PSL, as set out in the Order Form.

Data Processing Agreement means the data processing agreement between the Customer and PSL as <u>available here.</u>

Data Protection Legislation means all applicable data protection and privacy legislation in force from time to time in the United Kingdom including the UK GDPR, the Data Protection Act 2018 (and regulations made thereunder) and the Privacy and Electronic Communications Regulations 2003 (*SI 2003/2426*) and the guidance and codes of practice issued by the Information Commissioner's Office or other relevant regulatory authority and applicable to a party.

Deliverables means the Hardware, Software, Documentation and any output of the Services to be provided by PSL to the Customer, including but not limited to databases, reports, specifications and project plans.

Development Services means the creation of any bespoke coding or the provision of programming packages or software development tools, including any application programming interfaces, libraries or sample code provided by PSL to the Customer for the development of applications or extensions that operate with or connect to Software, as detailed in an Order Form and any Specific Terms.

Documentation means the documentation to be provided by PSL to the Customer, which sets out a description of the Software and its features, functions and methods of operation, and user instructions for the Software.

Effective Date has the meaning given in clause 2.2.

Force Majeure Event has the meaning given in clause 21.2.

Funder means a third party funder providing credit, hire or finance to the Customer in relation to any part of the Solution.

Funding Agreement means the agreement entered into between the Customer and a Funder.

Hardware means all items of IT equipment provided by PSL to the Customer as set out in a Contract, including but not limited to desktops, laptops, printers, scanners, screens, ports, switches, cash drawers, third party routers, cabling, spare and replacement parts.

Hardware Specification means any specification for the Hardware, including any relevant plans or drawings, that is provided by PSL to the Customer.

Hosting Services means the provision of applications, IT infrastructure and components via the internet by PSL, as set out in a Contract.

Initial Term has the meaning given in clause 3.1.

Intellectual Property Rights means patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the word.

Licence means the terms on which Software is licensed (or Third Party Software is sublicensed) by PSL to the Customer as set out in these Conditions and specifically in clauses 4 and 5, and the relevant Specific Terms.

Losses means losses, expenses, costs, liabilities, damages, penalties and claims.

Manufacturers' Warranties means the warranties given by any third party manufacturer in relation to Hardware.

Modification means a new version of Software which is provided by PSL as part of Surecover which provides functionality enhancements or improvements or in which previously identified faults have been remedied or to which any modification, revision or update has been made, or to which a further function or functions have been added but in each case which does not constitute a New Version.

Network Connections means, if relevant, the network connections to be provided to the Customer in connection with the Solution as set out in a Contract.

New Version means any new version of Software released after its Start Date which contains such significant differences from the previous version as to be generally accepted in the marketplace as constituting a new product.

Order Form means the written details of the Customer's order entered into between PSL and the Customer, identifying the Hardware, Software, Deliverables and/or Services to be provided with details of applicable Specific Terms.

Personal Data has the meaning given in Data Protection Legislation.

Professional Services means Development Services, consultancy, training, installation and other services to be provided by PSL to the Customer as set out in a Contract.

PSL means Positive Solutions Limited, a company registered in England and Wales with company number 02843818 with its registered office at Three South Langworthy Road, PO Box 18, Salford, M50 2PW.

PSL Materials has the meaning given in clause 13.1.6.

Renewal Term has the meaning given in clause 3.1.

Services means the services, including the associated Documentation, supplied by PSL to the Customer as set out in the relevant Order Form and Specific Terms, including Network Connections, Professional Services, and Hosting Services.

Software means the software package identified in the Order Form as being part of the Deliverables and including any Third Party Software incorporated in or forming a part of such software package. References to Software in the Contract shall be taken to include as it is updated from time to time by a Modification.

Solution means the Deliverables and/or Services to be provided by PSL to the Customer as set out in an Order Form and andy Specific Terms and in each case subject to these Conditions.

Specific Terms means any additional terms which apply to the Hardware, Software, and/or Services to be provided by PSL to the Customer, including any relevant Third Party Terms.

Start Date means the date that PSL starts to provide any particular Services or Deliverables to the Customer being for Software or Third Party Software the date it is first used in a live environment, for Hardware the date it is installed, for Services the date from which the Services are agreed to be provided and for Surecover the Start Date for the Deliverables covered by Surecover.

Surecover means the Software and Hardware support and maintenance services provided by PSL, as set out in clause 8.

Term has the meaning given in clause 3.1.

Third Party Software means software provided by a third party and which is sublicensed to the Customer by PSL in accordance with the Licence or directly licensed by the third party under Third Party Terms between it and the Customer.

Third Party Terms means any terms of any third party to which the Customer agrees as incorporated in or attached to the Specific Terms or which the Customer enters into separately which relate to any part of the Solution, including but not limited to the Funding Agreement.

Interpretation:

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- 1.2.1 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality). A reference to a party includes its successors and permitted assigns.
- 1.2.2 A reference to legislation or a legislative provision is a reference to it as amended or re-enacted. A reference to legislation or a legislative provision includes all subordinate legislation made under that legislation or legislative provision.
- 1.2.3 Any words following the terms including, include, in particular, for example or any similar expression shall be interpreted as illustrative and shall not limit the sense of the words preceding those terms. A reference to writing or written includes email.

Basis of contract

- Any quotation given by PSL shall not constitute an offer, and is only valid for a period of 30 Business Days from its date of issue.
- The Order Form constitutes an offer by PSL to provide Hardware, Software, Deliverables and/or Services to the Customer in accordance with these Conditions and the relevant Specific Terms. The Order Form shall only be deemed to be accepted when the Customer has signed the Order Form at which point and on which date the Contract shall come into existence (Effective Date).
- Any descriptive matter or advertising issued by PSL and any descriptions contained in PSL's catalogues or brochures or on PSL's website are issued or published for the sole purpose of giving an approximate idea of the Solution. They shall not form part of the Contract nor have any contractual force.
- 2.4 These Conditions apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by law, trade custom, practice or course of dealing. In the case of conflict between the Order Form, Specific Terms or these Conditions these Conditions shall prevail.

3 Term

- 3.1 The Contract starts on the Effective Date and, unless terminated earlier in accordance with clause 3.2 or clause 19, shall remain in effect for each element of the Solution until the end of the initial term set out in the Specific Terms, which starts on the relevant Start Date for the relevant element of the Solution (Initial Term). After the Initial Term, the Contract shall renew automatically for successive terms of 12 months each unless a different period is agreed between the parties (each a Renewal Term and the Initial Term An automatic Renewal Term will be subject to a price increase as set out in clause 14.2.
- 3.2 Without affecting any other right or remedy available to it, either party may terminate the Contract by giving the other party not less than 90 days' written notice at any time, subject to clause 20.

4 Software

- 4.1 PSL does not warrant that the Software will be free from defects. The Customer acknowledges that software in general is not error-free, and that the existence of any defects in the Software shall not constitute a breach of the Contract.
- 4.2 The Customer shall not except as may be allowed by any applicable law which cannot be excluded from the Contract:
 - 4.2.1 attempt to copy, modify, duplicate, create derivative works from, frame, mirror, republish, download, display, transmit, or distribute all or any portion of the Software and/or Documentation (as applicable) in any form or media or by any means;
 - 4.2.2 attempt to de-compile, reverse compile, disassemble, reverse engineer or otherwise reduce to human-perceivable form all or any part of the Software;
 - 4.2.3 license, sell, rent, lease, transfer, assign, distribute, display, disclose, or otherwise commercially exploit, or otherwise make the Software and/or Services and/or Documentation available to any third party; or
 - 4.2.4 negligently or wilfully introduce or permit the introduction of any virus, worm, trojan horse or other similar form of harmful, hostile or intrusive coding into PSL's network and information systems.
- 4.3 PSL shall notify the Customer of the issue of any New Version, specifying the charges payable for the New Version, and how it differs from the previous version in terms of functionality, performance and compatibility.
- 4.4 If the Customer wishes to take a New Version, a new Order Form shall be entered into in relation to such New Version.
- 4.5 Use of any Third Party Software is subject to any relevant Third Party Terms with which the Customer shall comply. The Customer shall indemnify and hold harmless PSL against any Losses it suffers or incurs as a result of any breach of the Licence or Third Party Terms by the Customer.

5 Licence

- 5.1 The Licence starts on the date that Software is made available in a live environment to the Customer, being the Start Date for that Software.
- 5.2 PSL grants to the Customer, subject to the terms of the Contract, a non-exclusive, non-sub-licensable, non-transferable licence for a fixed term of the Initial Term then each Renewal Term which is entered into to use the Software (in object form only), including any Third Party Software which is sub-licensed by PSL to the Customer, and associated Documentation (Licence) for the purpose of (a) any activity in the course of the Customer's normal business operations, (b)

disaster recovery and back-up of Customer data, (c) use, storage of, and extraction of Customer data in any database within the Software, and (d) use in connection with any associated or interconnected networks including the intermet (the **Licensed Purposes**).

- 5.3 The Customer undertakes that it will only use the Software and Documentation for the Licensed Purposes and it shall use all reasonable endeavours to prevent any unauthorised access to, or use of, the Software and/or the Documentation and, in the event of any such unauthorised access or use, it will promptly notify PSL.
- 5.4 Third Party Software may be separately licensed to the Customer directly by the third party on the basis of relevant Third Party Terms and this shall be set out in the relevant Specific Terms.
- 5.5 The provisions of clause4 4 and this clause 5 shall apply to any Modification or New Version made available to the Customer by PSL.

Services

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- 6.1 PSL shall use reasonable endeavours to meet any performance dates specified for the Services, but any such dates shall be estimates only and time shall not be of the essence for the performance of the Services.
- 6.2 PSL reserves the right to vary these Specific Terms for Services if necessary to comply with any applicable law or regulatory requirement, or if the variation will not materially affect the nature or quality of the Services, and PSL shall notify the Customer in any such event.
- 6.3 PSL warrants to the Customer that the Services will be provided using reasonable care and skill.

Hosting

If PSL is providing hosting, PSL shall use reasonable endeavours to provide at least 99.5% uptime service availability. This availability refers to an access point on PSL's hosting provider's backbone network. It does not transit the hosting provider's backbone network, as the Customer is responsible for its own internet access. Availability does not include PSL undertaking maintenance or upgrades, Customer-caused or third partycaused outages or disruptions, or outages or disruptions attributable in whole or in part to a Force Majeure Event.

Surecover

- PSL shall provide Surecover for all Deliverables for the Initial Term, unless otherwise specified in an Order Form.
- 8.2 Surecover may be provided during Renewal Terms subject to clause 14.3 and provided that PSL has not served the Customer with any notice of non-renewal of Surecover prior to the commencement of the Renewal Term. If Surecover is provided in a Renewal Term it may be subject to additional terms to be advised by PSL in writing.
- 8.3 As part of Surecover, PSL shall from time to time make Modifications available to the Customer free of charge, in machinereadable form to be downloaded over the internet. It is the Customer's responsibility to install Modifications within one month of PSL making a Modification available to the Customer and if the Customer does not then the relevant Software may no longer benefit from Surecover.
- 8.4 PSL shall supply a standard support service to the Customer as part of Surecover. This shall be provided during Business Hours and shall comprise a telephone help desk to provide technical support to users of Software, and remote diagnosis and where possible correction of faults using software management software. If additional on-site support is required a quotation shall be provided by PSL to the Customer for such support.

- PSL may withdraw Surecover in relation to any particular Service, Hardware or Software at any time by providing the Customer with 30 days' written notice and, if such withdrawal is not at the end of the Initial Term or a Renewal Term, PSL shall reimburse the Customer for any sums paid in advance for Surecover for the period beyond the withdrawal date unless PSL has specified otherwise in the Specific Terms.
- Surecover does not include any cover of third party equipment, Third Party Software, cabling, routers and networking, laptop cover software only, A4 printers, or accidental damage and misuse.

Hardware

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- If Hardware is being provided, PSL warrants that on delivery and, if PSL is installing the Hardware, that on installation the Hardware shall:
 - 9.1.1 conform in all material respects with their description and any applicable Hardware Specification:
 - 9.1.2 be free from material defects in design, material and workmanship; and
 - 9.1.3 be of satisfactory quality (within the meaning of the Sale of Goods Act 1979); and
 - 9.1.4 be fit for any purpose held out by PSL.
- The Customer shall inspect the Hardware upon delivery and, if PSL is installing the Hardware, upon installation being complete.
- Subject to clause 9.4, if:
 - 9.3.1 the Customer gives notice in writing to PSL within 24 hours of delivery or where PSL is installing Hardware, within 24 hours of installation being complete, that some or all of the Hardware do not comply with the warranty set out in clause 9.1;
 - 9.3.2 PSL is given a reasonable opportunity of examining such Hardware; and
 - 9.3.3 the Customer if asked to do so by PSL returns such Hardware to PSL's place of business (and such return shall be at PSL's cost if the Hardware is defective but if the Hardware is not defective and/or clause 9.4 applies the Customer shall reimburse PSL the cost of return),

PSL shall, at its option, repair or replace the defective Hardware.

- PSL shall not be liable to repair or replace the Hardware if:
 - 9.4.1 the Customer makes any further use of such Hardware after giving a notice in accordance with clause 9.3;
 - 9.4.2 the defect arises because the Customer failed to follow PSL's oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Hardware or (if there are none) good trade practice regarding the same;
 - 9.4.3 the Customer alters or repairs such Hardware without the written consent of PSL; or
 - 9.4.4 the defect arises as a result of fair wear and tear, wilful damage, negligence, or abnormal working conditions.
- Except as provided in this clause 9 PSL shall have no liability to the Customer in respect of the Hardware's failure to comply with the warranty set out in clause 9.1.

- 9.6 PSL shall use reasonable endeavours to pass to the Customer the benefits of any Manufacturers' Warranties.
- 9.7 These Conditions shall apply to any repaired or replacement Hardware supplied by PSL.
- 9.8 PSL reserves the right to amend the Hardware Specification if required by any applicable statutory or regulatory requirement, and PSL shall notify the Customer in any such event.

10 Delivery and installation of Hardware

- 10.1 Hardware shall be delivered by PSL to the address in the relevant Order Form or such other location as PSL and the Customer agree in writing (Delivery Location) at any time after PSL notifies the Customer that the Hardware is ready. Delivery of the Hardware shall be completed on the completion of unloading the Hardware at the Delivery Location.
- 10.2 Any dates quoted for delivery of the Hardware are approximate only, and the time of delivery is not of the essence. PSL shall not be liable for any delay in delivery of the Hardware that is caused by a Force Majeure Event or the Customer's failure to provide PSL with adequate delivery instructions or any other instructions that are relevant to the supply of the Hardware.
- 10.3 If PSL fails to deliver the Hardware, its liability shall be limited to the costs and expenses incurred by the Customer in obtaining replacement Hardware of similar description and quality in the cheapest market available, less the price of the Hardware. PSL shall have no liability for any failure to deliver the Hardware to the extent that such failure is caused by a Force Majeure Event or the Customer's failure to provide PSL with adequate delivery instructions or any other instructions that are relevant to the supply of the Hardware.
- 10.4 If the Customer fails to accept delivery of the Hardware within three Business Days of PSL notifying the Customer that the Hardware is ready for delivery, then except where such failure or delay is caused by a Force Majeure Event or by PSL's failure to comply with its obligations under the Contract in respect of the Hardware:
 - 10.4.1 delivery of the Hardware shall be deemed to have been completed at 9.00 am on the third Business Day following the day on which PSL notified the Customer that the Hardware were ready; and
 - 10.4.2 PSL shall store the Hardware until actual delivery takes place, and charge the Customer for all related costs and expenses (including insurance).
- 10.5 If ten Business Days after the day on which PSL notified the Customer that the Hardware was ready for delivery the Customer has not accepted actual delivery, PSL may resell or otherwise dispose of part or all of the Hardware and charge the Customer for any shortfall below the price of the Hardware.
- 10.6 PSL may deliver the Hardware by instalments, which shall be invoiced and paid for separately. Each instalment shall constitute a separate Contract. Any delay in delivery or defect in an instalment shall not entitle the Customer to cancel any other instalment.
- 10.7 If PSL agrees to install Hardware at the Customer's premises, PSL shall use reasonable endeavours to carry out installation by any dates agreed with the Customer but time shall not be of the essence.
- 10.8 PSL shall ensure that each delivery of Hardware is accompanied by a delivery note which shows the type and quantity of the Hardware:

11 Hardware: Title and risk

11.1 The risk in the Hardware shall pass to the Customer on completion of delivery.

- 11.2 Title to the Hardware shall not pass to the Customer until PSL receives payment in full (in cash or cleared funds) for the Hardware.
- 11.3 Until title to the Hardware has passed to the Customer, the Customer shall:
 - 11.3.1 store the Hardware separately from all other Hardware held by the Customer so that it remains readily identifiable as PSL's property;
 - 11.3.2 not remove, deface or obscure any identifying mark or packaging on or relating to the Hardware;
 - 11.3.3 maintain the Hardware in satisfactory condition and keep it insured against all risks for its full price on PSL's behalf from the date of delivery;
 - 11.3.4 notify PSL immediately if it becomes subject to any of the events listed in clause 14.1 of the Conditions; and
 - 11.3.5 give PSL such information as PSL may reasonably require from time to time relating to the Hardware and the Customer's ongoing financial position.
- 11.4 At any time before title to the Hardware passes to the Customer, PSL may require the Customer to deliver up all Hardware in its possession and if the Customer fails to do so promptly, enter any premises of the Customer or of any third party where the Hardware are stored in order to recover them.

12 Network Connections

- 12.1 The Customer acknowledges and agrees that where PSL procures a Network Connection from a third party provider, the Third Party Terms of the relevant provider will apply including but not limited to any acceptable use terms, privacy policy and other terms and policies provided directly by the provider and if the Customer is in breach of any such terms or policies access to the Network Connection may be suspended or terminated.
- 12.2 The Customer remains the controller of its Personal Data when using a Network Connection and the Network Connection provider will act as a processor of the Customer as set out in the Third Party Terms.
- 12.3 PSL shall have no liability to the Customer if the Customer is unable to access or use the Network Connection or if the Customer's data is lost or damaged due to a failure, delay or breach by a third party including the Network Connection provider.
- 12.4 The Customer shall indemnify PSL against any Losses which PSL suffers or incurs in connection with the Customer's access to and use of the Network Connection.

13 Customer's obligations

- 13.1 The Customer shall:
 - 13.1.1 ensure that the terms of the Order Form are complete and accurate;
 - 13.1.2 co-operate with PSL in all matters relating to the Solution and comply with any additional obligations as set out in the Contract and all relevant Third Party Terms;
 - 13.1.3 provide PSL and its employees, agents, consultants and subcontractors with access to the Customer's premises, office accommodation and other facilities as reasonably required by PSL to provide the Services;
 - 13.1.4 provide PSL with such information and materials as PSL may reasonably require in order to supply the Services, and ensure that such information is complete and accurate in all material respects;

- 13.1.5 obtain and maintain all necessary licences, permissions and consents which may be required for it to access and use the Solution and comply with all applicable laws, including health and safety laws; and
- 13.1.6 keep all materials, equipment, documents and other property of PSL (PSL Materials) at the Customer's premises in safe custody at its own risk, maintain PSL Materials in good condition until returned to PSL, and not dispose of or use PSL Materials other than in accordance with PSL's written instructions or authorisation.
- If PSL's performance of any of its obligations under the Contract is prevented or delayed by any act or omission by the Customer or failure by the Customer to perform any relevant obligation (Customer Default):

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- 13.2.1 without limiting or affecting any other right or remedy available to it, PSL shall have the right to suspend performance of the Services until the Customer remedies the Customer Default, and to rely on the Customer Default to relieve it from the performance of any of its obligations in each case to the extent the Customer Default prevents or delays PSL's performance of any of its obligations; and
- 13.2.2 PSL shall not be liable for any Losses sustained or incurred by the Customer arising directly or indirectly from PSL's failure or delay to perform any of its obligations as set out in this clause 13.2 and the Customer shall reimburse PSL on written demand for any Losses sustained or incurred by PSL arising directly or indirectly from the Customer Default.

Charges and payment

- The charges and payment periods of such charges for Deliverables and/or Services to be provided by PSL to the Customer shall be set out in the Order Form.
- 14.2 Where a Renewal Term is entered into automatically the charges shall be increased for that Renewal Term and PSL will notify the Customer of the automatic increase before the commencement of the Renewal Term.
- 14.3 Except where the Customer has paid for Surecover upfront for a set period using PSL's SmartPlan facility, the charges for Surecover shall be increased on an annual basis during the Term on the anniversary of the Effective Date in line with the percentage increase in the Retail Prices Index in the preceding 12-month period.
- 14.4 PSL reserves the right to increase the charges at any time by giving written notice to the Customer to reflect any increase in cost to PSL which is due to:
 - 14.4.1 a factor beyond the reasonable control of PSL (including but not limited to foreign exchange fluctuations, increases in duties or taxes, changes in law or increased labour, materials other supply costs);
 - 14.4.2 for Hardware, any change in delivery date, quantities or types of Hardware requested by the Customer; or
 - 14.4.3 any delay caused by any failure of the Customer to give adequate or accurate information or instructions to PSL.
 - The Customer shall pay each invoice submitted by PSL within 14 days of the date of the invoice and in full and in cleared funds to a bank account nominated in writing by

PSL and time for payment shall be of the essence of the Contract.

- 14.6 All amounts payable by the Customer under the Contract are exclusive of amounts in respect of value added tax chargeable from time to time (VAT). Where any taxable supply for VAT purposes is made under the Contract by PSL to the Customer, the Customer shall, on receipt of a valid VAT invoice from PSL, pay to PSL such additional amounts in respect of VAT as are chargeable at the same time as payment of charges is due to PSL.
- 14.7 If the Customer fails to make a payment due to PSL under the Contract by the due date, then, without limiting PSL's remedies under clause 19, the Customer shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment. Interest under this clause 14.7 will accrue each day at 4% a year above the Bank of England's base rate from time to time, but at 4% a year for any period when that base rate is below 0%.
- 14.8 All amounts due to PSL under the Contract shall be paid in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).
- 14.9 If the Customer has entered into a Funding Agreement the Customer:
 - 14.9.1 is responsible for paying all fees and charges under the Funding Agreement;
 - 14.9.2 shall ensure that all information it provides to the Funder is complete and accurate in all respects;
 - 14.9.3 shall comply with all terms of the Funding Agreement; and
 - 14.9.4 shall indemnify PSL against all Losses that PSL may suffer or incur in relation to the Customer's failure to comply with clauses 14.9.1 to 14.9.3.

15 Intellectual property rights

- 15.1 All Intellectual Property Rights in or arising out of or in connection with the Solution (other than Intellectual Property Rights in any materials and data provided by the Customer) shall be owned by PSL, and the Customer may not make copies, adaptations or variations of any Deliverables without the prior written consent of PSL.
- 15.2 The Customer grants PSL a fully paid-up, non-exclusive, royalty-free non-transferable licence to copy and modify any materials provided by the Customer to PSL for the Term where necessary for the purpose of providing the Services and Software to the Customer.
- 15.3 The Customer shall notify PSL promptly of any allegation that a Deliverable infringes any third party's Intellectual Property Rights and make no admissions in relation to such allegation, and provide PSL with reasonable information and assistance and sole control of the defence and all related settlement negotiations.
- 15.4 In the event that any Deliverable is held, or is believed by PSL to infringe a third party's Intellectual Property Rights, PSL shall have the option, at its expense, to:
 - 15.4.1 modify the Deliverable (without materially detracting from its functionality) so as to avoid the infringement;
 - 15.4.2 obtain for the Customer a licence to continue to use the Deliverable on terms reasonably acceptable to the Customer:
 - 15.4.3 replace the Deliverable with noninfringing substitutes provided that such substitutes do not entail a material reduction in functionality; or

15.4.4 if any of the above are not reasonably possible, terminate this Agreement and refund the charges paid for any period in which the Deliverable (or part thereof) can no longer be used, and

the Customer acknowledges and agrees that subject to clause 18.2 this clause sets out the Customer's sole remedy in respect of an infringement by any Deliverable of a third party's Intellectual Property Rights.

16 Confidentiality

- 16.1 Each party undertakes that it shall not at any during the Contract, and for a period of five years after termination of the Contract, disclose to any person any confidential information concerning the business, assets, affairs, customers, clients or suppliers of the other party or of any member of the group of companies to which the other party belongs, except as permitted by clause 16.2.
- 16.2 Each party may disclose the other party's confidential information:
 - 16.2.1 to its employees, officers, representatives, contractors or subcontracts or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with the Contract. Each party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other party's confidential information comply with this clause 16; and
 - 16.2.2 as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.
 - Neither party shall use the other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with the Contract.

Personal Data

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- 17.1 PSL's processing of Personal Data as a processor on behalf of the Customer as a controller is in accordance with the Data Processing Agreement.
- 17.2 PSL may act as a controller of certain Personal Data it processes under the Contract. Where it does so this is in accordance with its privacy-policy at <u>https://positive-solutions.co.uk/privacy-policy</u> which the Customer should make available to data subjects whether by incorporation in its own privacy policy or otherwise.

18 Limitation of liability

- The restrictions on liability in this clause 18 apply to every liability of PSL arising under or in connection with the Contract including liability in contract, tort (including negligence), misrepresentation, restitution or otherwise.
- 18.2 Nothing in the Contract excludes or limits any liability which cannot legally be excluded or limited, including liability for death or personal injury caused by negligence, fraud or fraudulent misrepresentation, breach of the terms implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession).
- 18.3 Subject to clause 18.2 and clause 18.4, PSL's total liability to the Customer shall not exceed the lower of the charges paid by the Customer for the Services, Surecover or Deliverables in relation to which the claim relates in the 12 months preceding a claim and the sum of £50,000.
- 18.4 The following types of loss are wholly excluded: loss of profits, loss of sales or business, loss of agreements or contracts, loss of anticipated savings, loss of use or corruption of software, data or information,

loss of or damage to goodwill, and indirect or consequential loss.

- The terms implied by sections 13 to 15 of the Sale of Goods Act 1979 and sections 3, 4 and 5 of the Supply of Goods and Services Act 1982 are, to the fullest extent permitted by law, excluded from the Contract.
- This clause 18 shall survive termination of the Contract.

Termination

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- 19.1 Without affecting any other right or remedy available to it, either party may terminate the Contract with immediate effect by giving written notice to the other party if:
 - 19.1.1 the other party takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), obtaining a moratorium, being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business;
 - 19.1.2 the other party suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business; or
 - 19.1.3 the other party's financial position deteriorates so far as to reasonably justify the opinion that its ability to give effect to the terms of the Contract is in jeopardy.
 - Without limiting or affecting any other right or remedy available to it, PSL may at its discretion terminate the Contract in full or partially in respect of the supply of any particular Deliverables or Services with immediate effect by giving written notice to the Customer if:
 - 19.2.1 the Customer fails to pay any amount due under the Contract on the due date for payment; or
 - 19.2.2 any relevant Third Party Terms which are required to be entered into by the Customer in relation to the Solution are terminated by the relevant third party or the Customer; or
 - 19.2.3 the Customer commits a material breach of the Contract or any relevant Third Party Terms and (if such breach is remediable) fails to remedy that breach within 30 days after receipt of notice from PSL (or the relevant third party) in writing to do so and PSL not being a party to such Third Party Terms shall not prevent PSL's ability to terminate the Contract in such circumstances.
- 19.3 The Customer may terminate the Contract with immediate effect if PSL commits a material breach of the Contract and (if such breach is remediable) fails to remedy that breach within 30 days after receipt of notice from the Customer in writing to do so
- 19.4 Without affecting any other right or remedy available to it, PSL may at its discretion suspend the supply of Services or provision of Deliverables if the Customer materially breaches the Contract or any Third Party Terms, the Customer fails to pay any amount due under the Contract on the due date for payment, the Customer becomes subject to any of the events listed in clause 19.1.1 to clause 19.1.3, or PSL reasonably believes that the Customer is about to become subject to any of them.

Consequences of termination

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20.1

On termination of the Contract:

20.1.1 the Customer shall immediately pay to PSL all of PSL's

outstanding unpaid invoices and interest and, in respect of Services, Hardware, Software or Documentation supplied but for which no invoice has been submitted, PSL shall submit an invoice, which shall be payable by the Customer immediately on receipt:

- 20.1.2 all licences granted by PSL shall terminate: and
- 20.1.3 the Customer shall return all PSL Materials and any Documentation or Hardware which have not been fully paid for. If the Customer fails to do so, then PSL may enter the Customer's premises and take possession of them. Until they have been returned, the Customer shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this Contract.
- 20.2 It is the Customer's responsibility to terminate any Third Party Terms into which it has directly entered and the termination of the Contract shall not automatically terminate such Third Party Terms. The Customer shall remain responsible for all payments due to third party providers under Third Party Terms until the termination or expiry of the relevant Third Party Terms.
- 20.3 If the Contract is terminated by the Customer under clause 3.2 or by PSL under clause 19 the Customer shall remain liable for all payments due to PSL from the date of such notice until the end of the Initial Term or Renewal Term in which the date of termination takes effect.
- 20.4 Termination of the Contract shall not affect any rights, remedies, obligations and liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination.
- 20.5 Any provision of the Contract that expressly or by implication is intended to have effect after termination shall continue in full force and effect.

21 General

- 21.1 **Dispute Resolution**: If a dispute arises out of or in connection with this Agreement or the performance, validity or enforceability of it (**Dispute**) then, except as expressly provided in this Agreement, the parties shall follow the dispute resolution procedure set out in this clause (but the commencement of mediation shall not prevent the parties commencing or continuing court proceedings):
 - 21.1.1 either party shall give to the other written notice of the Dispute, setting out its nature and full particulars (Dispute Notice), together with relevant supporting documentation. On Service of the Dispute Notice a director of each party shall attempt in good faith to resolve the Dispute; and
 - 21.1.2 if the directors are for any reason unable to resolve the Dispute within 30 days of it being referred to them, the parties will attempt to settle it by mediation in accordance with the CEDR Model Mediation Procedure.
- 21.2 Force Majeure: Neither party shall be in breach of the Contract or otherwise liable for any failure or delay in the performance of its obligations if such delay or failure results from events, circumstances or causes beyond its reasonable control (a Force Majeure Event). The time for performance of such obligations shall be extended accordingly. If the period of delay or non-performance continues for three months, the other party may terminate the Contract by giving 30 days' written notice to the party suffering the Force Majeure Event.
- 21.3 Assignment and other dealings: PSL may at any time assign, mortgage, charge, subcontract, delegate, declare a trust over or

deal in any other manner with any or all of its rights and obligations under the Contract. The Customer shall not assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any of its rights and obligations under the Contract without the prior written consent of PSL.

- 21.4 Notices:
 - 21.4.1 Any notice given to a party under or in connection with the Contract shall be in writing and shall be delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case), or sent by email to the email address provided by that party.
 - 21.4.2 Any notice shall be deemed to have been received (a) if delivered by hand, at the time the notice is left at the proper address; (b) if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting, and (c) if sent by email, at the time of transmission, or, if this time falls outside Business Hours in the place of receipt, when Business Hours new processing and course new processing and course new processing the place of receipt.
 - 21.4.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 21.5 Waiver: A waiver of any right or remedy is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy. A delay or failure to exercise, or the single or partial exercise of, any right or remedy shall not waive that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy.
- 21.6 Entire agreement: The Contract constitutes the entire agreement between the parties. Each party acknowledges that in entering into the Contract it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the Contract. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in the Contract.
- 21.7 **Third party rights:** The Contract does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract
- 21.8 Variation: Provided that a variation does not result in PSL's obligations being performed in a substantially different manner to that which may reasonably be expected by the Customer, PSL may vary the Contract by giving written notice to the Customer of any variation and the variation shall be binding upon receipt by the Customer of such notification. If a proposed variation would result in a substantial difference in the performance of PSL's obligations, both parties shall agree such variation in writing and it shall be binding from the date it is agreed.
- 21.9 Governing law: The Contract and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.
- 21.10 Jurisdiction: Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Contract or its subject matter or formation.