

## Terms of business

Last revised: 30<sup>th</sup> January 2004

### 1. DEFINITIONS

- 1.1 The Supplier: Shall mean Internode Ltd and its personnel and any sub contractors procured by Internode Ltd
- 1.2 The Client: Shall mean the purchaser of any goods or services sold by The Supplier.
- 1.3 The Goods: Any goods, "Commercial off the shelf" (COTS) software packages, materials, or other items sold to the Client by the Supplier.
- 1.4 The Software: Any software components, including but not limited to executable program code, source code, pictures, images and diagrams developed by the Supplier to the Clients specifications.

### 2. SUPPLY OF GOODS

- 2.1 Unless otherwise agreed in writing prior to entering into an Agreement, the Supplier undertakes the supply of goods on the following terms:-
- 2.2 TITLE AND PAYMENT
  - 2.2.1 The Goods shall remain the property of the Supplier until full payment has been received from the Client.
  - 2.2.2 The Supplier shall submit an invoice upon delivery of The Goods to the Client. This invoice must be paid in full within 30 days of the date shown on the invoice. If payment is not received by the Supplier within this time, the Supplier reserves the right to charge interest in accordance with the Late Payment of Commercial Debts (Interest) Act on the outstanding amount calculated daily at a rate equivalent to the prevailing Bank of England Base Rate + 8%.
  - 2.2.3 If the Client defaults on payment or is otherwise in breach of its obligations to the Supplier, the Supplier shall:
    - 2.2.3.1 be entitled to repossess The Goods, for which purpose the Purchaser hereby authorises the Supplier and its agents, to enter any premises or vehicle belonging to or used by the Client, for the purposes of taking possession of such equipment.
- 2.3 WARRANTY
  - 2.3.1 The warranty period begins from the date shown on your purchase invoice. No claims may be made against the warranty until receipt of payment for The Goods has been received by the Supplier in full from the Client.
  - 2.3.2 For Goods supplied to the Client as new, the warranty is effective for one calendar year.
  - 2.3.3 For equipment supplied to the Client as "used" or "second user", the warranty is effective for 3 months.

## 2.3.4 COVER

- 2.3.4.1 All Goods (excluding software) supplied to the Client by the Supplier are covered by warranty against defects in parts and manufacture, premature failure of parts, and failure of parts caused by incorrect configuration performed the Supplier.
- 2.3.4.2 For COTS software items the warranty covers against defects in the delivery media only.

## 2.3.5 CLAIMS

- 2.3.5.1 In the event of a claim, the Supplier shall seek to rectify the problem by (at its sole discretion):
  - 2.3.5.1.1 repair of The Goods or;
  - 2.3.5.1.2 replacement of The Goods with equal or better specification equipment or;
  - 2.3.5.1.3 offer of a refund of the purchase price of The Goods.

## 2.3.6 LIMITATION OF LIABILITY AND FORCE MAJEURE

- 2.3.6.1 Unless explicitly agreed prior to purchase from the Supplier. This warranty explicitly excludes all claims for:-
  - 2.3.6.1.1 Repair of Goods resulting from accidental damage, mishandling or improper usage, fair wear and tear, & damage due to "acts of God" and other extreme situations beyond our control such as acts of war or terrorism, third party industrial action, & civil unrest;
  - 2.3.6.1.2 Liability for any consequential or inconsequential losses (either direct or indirect) resulting from inability of the supplied equipment to perform any particular function;
  - 2.3.6.1.3 Loss of information held on a computer system as a result of failure of that system;
  - 2.3.6.1.4 Any loss of earnings or profits resulting from an inability to use any supplied equipment;
  - 2.3.6.1.5 Reinstallation and re-configuration of user installed software and user data beyond that necessary to establish correct functionality of rectified equipment;
  - 2.3.6.1.6 Equipment damage resulting from the improper configuration after delivery to the Client.
- 2.3.6.2 If a claim under the warranty is made but it is later found that The Goods failure was caused as a direct result of any action excluded from the cover of the warranty, the Supplier shall reserve the right to recover any costs from the Client resulting from rectification, including any call out costs to the customers premises, at the Suppliers standard market rates that prevail at the time.

### 3. SUPPLY OF CONSULTING SERVICES

#### 3.1 ENGAGEMENT

3.1.1 The Supplier shall supply services to the Client only in accordance with a specification or program of work to be agreed between the Supplier and the Client ('the Specified Services') prior to commencement of any Agreement. A description of the services to be supplied, and, if required, a delivery schedule for these services, shall be specified in a delivery schedule ('Schedule 1') which shall form a part of any agreement.

#### 3.2 DURATION

3.3 The engagement of the Supplier shall commence on the commencement date and shall continue until completion as specified in the Delivery Schedule section of Schedule 1.

3.4 The Supplier and the Client shall agree a suitable duration for the completion of each work package to be completed during execution of the Specified Services. This shall be documented in Schedule 1.

3.5 Any alteration of Schedule 1 must be agreed in writing by the Supplier.

#### 3.6 PAYMENT

3.6.1 For services provided on a "fixed price" basis, the Supplier shall submit invoices to the Client following completion of work packages as specified in Schedule 1.

3.6.2 For services provided on a "cost plus" or "time and materials" basis, the Supplier shall submit invoices Client on a monthly basis in respect of the services provided by the Supplier to the Client in the immediately preceding month. The invoice value shall be calculated as a multiple of the agreed payment rate as specified in Schedule 1, and the total number of hours accrued by the Supplier's personnel in the provision of the scheduled services to the Client.

3.6.3 Any outstanding invoices must be paid in full within 30 days of the date shown on the invoice. If payment is not received by the Supplier within this time, the Supplier reserves the right to charge interest in accordance with the Late Payment of Commercial Debts (Interest) Act on the outstanding amount calculated daily at a rate equivalent to the prevailing Bank of England Base Rate + 8%.

#### 3.7 OFFICE FACILITIES

3.7.1 Office accommodation and facilities for the personnel of the Supplier shall be provided by the Supplier.

3.7.2 Should the Supplier perform any services at the normal place of business of the Client, the Client shall provide the personnel of the Supplier with such office accommodation, facilities and information as the Supplier may reasonably require to carry out the Specified Services.

#### 3.8 INDEPENDENT CONTRACTOR

3.8.1 The Supplier is in business on its own account and any of its personnel engaged on the Specified Services for the Client shall not be treated as employees of the Client. Accordingly all fees payable hereunder will be paid without deduction of Income Tax,

National Insurance or pension contributions or any other deductions (save as may be required by law from time to time) and the Supplier shall account to the relevant authorities for all tax and national insurance contributions in respect of such fees.

3.8.2 The parties to this Agreement are independent businesses and nothing in this Agreement or by virtue of performing it shall be taken as creating a relationship of agent to principal, employer to employee, partnership or joint venture between the Supplier and the Client. Neither party shall be entitled to enter into agreements or other arrangements on behalf of the other and it is intended that both parties shall retain their independence

### 3.9 MUTUALITY OF OBLIGATION

3.9.1 Following delivery of the Specified Services to the Client by the Supplier:

- 3.9.1.1 the Client is under no obligation to offer any additional work packages to the Supplier;
- 3.9.1.2 the Supplier is under no obligation to accept any additional work packages offered by the Client, even if delivery of the Specified Services was ahead of the Schedule specified in Schedule 1;
- 3.9.1.3 unless specified otherwise, the terms under which additional work packages shall be offered and accepted shall remain the same as those used for the initial agreement;
- 3.9.1.4 any new work packages to be undertaken by the Supplier shall be documented in revised Schedule 1.

### 3.10 PERSONNEL OBLIGATIONS

- 3.10.1 The Supplier shall ensure that any personnel it uses to perform the Specified Services shall have the required qualifications and competence necessary.
- 3.10.2 The Supplier shall minimise unnecessary changes of personnel undertaking work packages for the Client during the performance of the Specified Services.
- 3.10.3 Should the Supplier change the personnel used to perform the Specified Services any resulting costs incurred shall be met by the Supplier.
- 3.10.4 The Supplier reserves the right to withdraw any member of its personnel from its performance of the Specified Services, and, if deemed necessary, substitute alternative personnel.
- 3.10.5 The Supplier will fully indemnify the Client in the event that the accommodation or facilities provided by the Client for use by the Suppliers personnel are damaged as a result of use by the Supplier.

### 3.11 CONFIDENTIALITY

- 3.11.1 Both parties will take all reasonable steps to ensure that any documents or other materials and data or other information which are supplied to the other party under this Agreement and are clearly marked as confidential remain confidential to the parties. Such information will only be made available by the parties to those personnel who have a reasonable need to know of it and the documents or other materials and data or other information or copies thereof will not be made available to any third parties. Either party is entitled to demand the return of all copies of any such documents or other materials and data or other information within seven days by giving the other party written notice.

- 3.11.2 This obligation of confidentiality will remain in force beyond the cessation or other termination of this Agreement.
- 3.11.3 On the cessation or earlier termination of this Agreement, each party shall return to the other all documents or other material containing the Confidential Information.
- 3.11.4 This clause shall not apply to any documents or other materials and data or other information which are already in the public domain at the time when they are provided by either party, and shall cease to apply where either party is required by law to make a disclosure or if at any time the information becomes public knowledge through no fault of the other party.
- 3.11.5 Both parties undertake that any information which is received from the other party under this Agreement will only be used for the purposes of this Agreement.
- 3.11.6 Neither party shall make any public announcement concerning the performance of the Specified Services or use the other's name for promotional, endorsement or marketing purposes without the other's prior written consent.
- 3.11.7 Upon the expiration, or termination of this Agreement, for whatever reason, (or earlier if requested) the Supplier shall, immediately deliver up to the Client all correspondence, documents, specifications, papers and property belonging to the Client which may be in the Supplier's possession.

### 3.12 CONFLICTS OF INTEREST

- 3.12.1 The Client understands and accepts that the Supplier is entitled to seek, apply for, accept and perform contracts to supply goods and services to third parties. However, during the currency of this Agreement, the Supplier undertakes not to accept contracts to supply goods or services to third parties where this could result in the Supplier providing goods or services to competitors of the Client where this would have a commercially harmful effect on the Client.

### 3.13 INTELLECTUAL PROPERTY RIGHTS

- 3.13.1 In the absences of any formal declaration agreed in writing between the Supplier and the Client:
  - 3.13.1.1 All documents, models, computer software and other items prepared by the Supplier in direct connection with the provision of the Specified Services shall, remain the property of the Supplier;
  - 3.13.1.2 All inventions, designs and discoveries (whether or not capable of being registered or patented) made by the Supplier in connection with or relating to the provision of the Specified Services shall remain the property of the Supplier.

### 3.14 TERMINATION

3.14.1 Either party may terminate this Agreement without notice to the other party in the event that:

3.14.1.1 either party shall go into liquidation or be wound up (other than for the purposes of reorganisation) or have a receiver appointed over all or some part of its assets;

3.14.1.2 either party shall at any time be guilty of any material breach or non observance of any of the terms of this Agreement and fails to remedy such breach (if capable of remedy) within 7 days after being required in writing to do so;

3.14.1.3 either party shall knowingly supply to the other any fictitious or misleading information;

3.14.1.4 either party has acted (or failed to act) in such a manner as materially to prejudice the business of the other party;

3.14.1.5 if by mutual agreement of both parties it is considered no longer appropriate for the Agreement to continue in force.

3.14.2 The Client may terminate this Agreement without compensation to the Supplier in the event that:

3.14.2.1 the Supplier shall neglect or fail to carry out the Specified Services under Schedule 1;

3.14.2.2 the Client shall have demonstrated that the Supplier's services were unsatisfactory by reason of technical or professional incompetence, or by reason of unsatisfactory conduct of the Suppliers Personnel, and the Supplier has failed to remedy (if capable of remedy) the situation within seven days of written notice.

3.14.3 The Supplier shall be entitled to terminate this Agreement without compensation to the Client in the event that:

3.14.3.1 the Supplier's personnel are prevented from performing the services, by reason of any acts or omissions of the Client or any of the Client's personnel and the Client has failed to remedy the situation (if capable of remedy) within seven days of written notice of such acts or omissions having been given to the Client.

### 3.15 WARRANTY

3.15.1 The warranty is effective for 90 days from the date shown on your purchase invoice.

#### 3.15.2 COVER

3.15.3 The Supplier Warrants that:

3.15.3.1 the Software correctly fulfils the requirements as specified by the Client in Schedule 1 and any associated documents.

3.15.3.2 That the delivery media shall be free from defects.

#### 3.15.4 CLAIMS

- 3.15.4.1 If the Client believes that the Software is deficient it shall notify the Supplier in writing. The Client shall include sufficient detail to allow the Supplier to verify the deficiency exists in the Software.
- 3.15.4.2 In the event that the Supplier is able to verify existence of the deficiency in the Software the Supplier shall rectify the deficiency at its own expense and provide a new delivery of the Software to the Client.

#### 3.15.5 LIMITATION OF LIABILITY AND FORCE MAJEURE

- 3.15.5.1 This warranty explicitly excludes all claims for:
  - 3.15.5.1.1 failure of the software to perform in any way which was not explicitly required in the Clients requirements specification as detailed in Schedule 1 and any associated documents;
  - 3.15.5.1.2 failure caused as a direct result of the Client attempting to use the Software in a way not originally specified in the requirements for that Software;
  - 3.15.5.1.3 liability for any consequential or inconsequential losses (either direct or indirect) resulting from defects of the supplied Software;
  - 3.15.5.1.4 loss of information held on a computer system as a result of failure of the Software;
  - 3.15.5.1.5 any loss of earnings or profits resulting from an inability to use any supplied Software;
  - 3.15.5.1.6 reinstallation and re-configuration of user installed software and user data beyond that necessary to establish correct functionality of rectified Software.
- 3.15.5.2 If a claim under the warranty is made but it is later found that defect in the software can not be replicated by the Supplier or demonstrated to the Supplier by the Client, the Supplier shall reserve the right to recover any costs from the Client resulting from analysis of the defect reported by the Client, including any call out costs to the customers premises, at the Suppliers standard market rates that prevail at the time.

#### 4. MISCELLANEOUS

- 4.1 Any alteration of this Agreement must be agreed in writing by the Supplier and the Client.
- 4.2 The Supplier shall not assign or otherwise transfer the entire benefit or burden of this Agreement without the prior written consent of the Client.
- 4.3 No failure or delay on the part of either party hereto to exercise any right or remedy under this Agreement shall be construed or operate as a waiver thereof nor shall any single or partial exercise of any right or remedy as the case may be. The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies provided by law.

- 4.4 The invalidity or unenforceability for any reason of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of the affected provisions or the other provisions of this Agreement.
- 4.5 Any notice required to be given for the purposes of this Agreement shall be deemed to have been duly given if sent by first class pre paid post or delivered by hand or sent by facsimile to the normal place of business of the party.
- 4.6 Unless agreed in writing, the terms of this Agreement represent the entire agreement between the parties and supersede any previous representations or agreements.
- 4.7 This Agreement shall be construed according to and governed by English Law and the parties hereby submit to the jurisdiction of the English Courts.

## 5. NOTES

- 5.1 The clause headings used here are for convenience only and do not form part of, or affect the interpretation of this agreement.