

Terms and Conditions of DSL SYSTEMS LIMITED

Terms and Conditions for Supply of goods, services and Software Licences by DSL SYSTEMS LIMITED (DSL) a company incorporated and registered in England and Wales with company number 01442610 whose registered office is at Adbolton Hall, Adbolton Lane, West Bridgford, Nottingham, NG2 5AS.

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this licence.

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

Hardware: all items of hardware supplied by DSL to the Customer at any time.

Control: as defined in section 1124 of the Corporation Tax Act 2010 and **change of control** shall be construed accordingly.

Consumer Prices Index: the Consumer Prices Index (CPI) (all items) (United Kingdom).

Customer: the person who purchases the Products from DSL

Contract: the contract between DSL and the Customer for the supply of the Products and which is deemed to come into existence on either the acceptance of the Quotation by the Customer within 30 days of the date thereof or by the continued instructions of the Customer.

Intellectual Property Rights: patents, utility models, rights to inventions, copyright and related rights, trademarks and service marks, trade names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, including all applications for (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 world.

Licence Certificate: a certificate issued by DSL relating to Software.

Maintenance Certificate: a certificate issued by DSL relating to maintenance.

Products: the Software, the Equipment and the Services or any of them.

Purchase Price: the total price of the Products set out in the Quotation.

Quotation: DSL's written quotation to the Customer which is valid for 30 days from the date thereof.

Services: the Support Services and any Additional Services which are included in any order for Additional Services.

Site: the location designated as such in the Licence Certificate or such other location agreed by DSL in writing from time to time.

Support Services: the Office Hours Support (as set out in clause 6.3) or the 24 Hours Support (as set out in clause 6.4) as the case may be.

Software: the software products produced and supplied by DSL (but does not include Third Party Software) and set out in the Licence Certificate

Supported Software: has the meaning set out in clause 5.1

Specification: the specification of the Software set out in the Licence Certificate.

Third Party Software: third party software products whether licensed directly to the Customer by a third party or sub-licensed by DSL.

VAT: value added tax chargeable from time to time.

1.2 **Holding company** and **subsidiary** mean a "holding company" and "subsidiary" as defined in section 1159 of the Companies Act 2006. In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Companies Act 2006 shall be amended so that: (a) references in sub sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

1.3 Clause headings shall not affect the interpretation of these terms and conditions.

1.4 Unless the context otherwise requires:

(a) words in the singular shall include the plural and in the plural shall include the singular;

(b) A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

(c) a reference to a "clause" means a clause of these terms and conditions;

(d) a reference to one gender shall include a reference to the other genders; and

(e) any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.5 In the case of conflict or ambiguity between any provision contained in the body of this licence and any provision contained in the schedules or appendices, the provision in the body of this licence shall take precedence.

1.6 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns.

1.7 References to clauses and Schedules are to the clauses and Schedules of these terms and conditions and references to paragraphs are to paragraphs of the relevant Schedule.

1.8 The Schedules and Annexes form part of this licence and shall have effect as if set out in full in the body of this licence. Any reference to this licence includes the Schedules and Annexes.

2. BASIS OF CONTRACT

2.1 These Terms and 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 trade, custom, practice or course of dealing.

2.2 All of these Terms and Conditions shall apply to the licensing of software and/or the supply of Products and Services except where application to one or the other is specified.

3. DELIVERY

3.1 DSL shall use reasonable endeavours to deliver the Products to the Site on the date agreed between DSL and the Customer or as soon after such date as reasonably practicable.

3.2 The Customer shall verify the correct operation of the software as soon as reasonably practicable and shall give notice thereof to DSL. If no such notice is received by DSL within 30 Business Days of the installation of such software, then the software is deemed to operate correctly.

4. LICENCE

4.1 DSL grants to the Customer a personal and non-exclusive licence for the full period of the copyright in the Software commencing on and including the date of installation of the Software to use the Software at the Site only.

4.2 In relation to the grant set out in clause 4.1:

(a) the Customer may not use the Software other than as specified in *clause 4.1* without the prior written consent of DSL, and the Customer acknowledges that additional fees may be payable on any change of use approved by DSL.

(b) the Customer may make backup copies of the Software as may be necessary for its lawful use. The Customer shall take all reasonable steps to prevent unauthorised copying of the Software.

(c) except as expressly stated in this *clause 4*, the Customer has no right (and shall not permit any third party) to copy, adapt, reverse engineer, decompile, disassemble, modify, adapt or make error corrections to the Software in whole or in part.

4.3 The Customer may not use any information provided by DSL to create any software whose expression is substantially similar to that of the Software nor use such information in any manner which would be restricted by any copyright subsisting in it.

4.4 The Customer shall not:

(a) sub-license, assign or novate the benefit or burden of this licence in whole or in part;

(b) use the Software other than as specified in the Licence Certificate without the prior written consent of DSL;

(c) allow the Software to become the subject of any charge, lien or encumbrance; and

(d) deal in any other manner with any or all of its rights and obligations under these terms and conditions, without the prior written consent of DSL and the Customer acknowledges that additional fees may be payable on any change of use approved by DSL.

4.5 DSL may at any time sub-license, assign, novate, charge or deal in any other manner with any or all of its rights and obligations under this licence, provided it gives written notice to the Customer.

4.6 Each party confirms it is acting on its own behalf and not for the benefit of any other person.

4.7 The Customer shall:

(a) ensure that the number of concurrent devices using the Software does not exceed the number stated in the Licence Certificate;

(b) ensure that the Software is installed on designated equipment only;

(c) notify DSL as soon as it becomes aware of any unauthorized use of the Software by any person;

(d) pay, for broadening the scope of the licences granted under this licence to cover the unauthorized use, an amount equal to the fees which DSL would have levied (in accordance with its normal commercial terms then current) had it licensed any such unauthorised use on the date when such use commenced [together with interest at the rate provided for in *clause 8.4*, from such date to the date of payment.

5. SOFTWARE SUPPORT

5.1 The Supported Software is:

(a) the Software; and

(b) any other software which DSL and Customer agree should be Supported Software for the purposes of these terms and conditions.

6. THE SERVICES

6.1 DSL shall supply, and the Customer shall take and pay for, the Services set out in the Maintenance Certificate or as agreed between DSL and the Customer from time to time.

6.2 In order to provide the support services, set out in 6.4 below, DSL shall provide a telephone help line (**Help Line**) to assist the Customer with general enquiries and to provide remote diagnosis and, where possible, correction of faults using the software management software, more specifically to correct all errors, bugs and failures of the Software to comply with any warranty or term of the Contract.

6.3 The Office Hours Support Service shall be provided during the normal office hours in the United Kingdom on a Monday until Friday basis and DSL shall use reasonable endeavours to respond within 4 working hours of the Customer contacting DSL.

6.4 The 24 Hours Support Service shall be provided on every day except Christmas Day and DSL shall use reasonable endeavours to respond within 4 hours of the Customer contacting the Help Line.

6.5 DSL shall have the right to make any changes to the Services which are necessary to comply with any applicable law or safety requirement, or which do not materially affect the nature or quality of the Services, and DSL shall notify the Customer in such event.

6.6 The Customer must maintain a means of remote connection to its systems to enable DSL to provide the Support Services set out in the Maintenance Certificate.

7. ADDITIONAL SERVICES

7.1 The Customer may from time to time request DSL to supply Additional Services at DSL's charge rate applicable at the date such services are requested. DSL shall use its reasonable endeavours to comply with the Customer's request, but the Customer acknowledges that DSL's ability to supply the Additional Services shall depend on the availability of appropriate resources at the time in question.

7.2 Where DSL agrees to provide Additional Services, such agreement shall be embodied in an order for Additional Services. Each order for Additional Services shall be made under, and shall incorporate, the terms of this Contract.

8. CHARGES

8.1 The Customer shall pay all of the charges set out in the Contract.

8.2 All amounts payable by the Customer under the Contract are exclusive of VAT and any other appropriate taxes. Where any taxable supply for VAT purposes is made under the Contract by DSL to the Customer, the customer shall pay to DSL such additional amounts in respect of VAT as are chargeable on the supply at the same time as the payments pursuant to clause 8.1 above, are due.

8.3 Our payment terms are:

(a) For the purchase of Hardware and installation of Software under the licence granted under these Terms and Conditions installation, the Purchase Price is payable as follows:

- (i) 25% on acceptance of our Quotation;
- (ii) 70% in the stage payments set out in the Quotation or subsequently agreed; and
- (iii) 5% on the 30th day after satisfactory installation and commissioning.

(b) For the Support Services - within 30 days of the date of the invoice; and

(c) For any Additional Services - within 30 days of the date of the invoice.

8.4 If the Customer fails to make any payment due to DSL under these terms and conditions by the due date for payment, then, without limiting DSL's remedies under *clause 15*, the Customer shall pay interest on the overdue amount at the rate of 5% per annum above the Bank of England's base rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Customer shall pay the interest together with the overdue amount.

9. PRICE INCREASES

9.1 DSL may adjust the price paid for the Support Services with effect from any anniversary date of the Contract.

10. CONFIDENTIALITY AND PUBLICITY

10.1 Each party shall, during the term of this Contract and thereafter, keep confidential all, and shall not use for its own purposes (other than implementation of this licence) nor without the prior written consent of the other disclose to any third party (except its professional advisors or as may be required by any law or any legal or regulatory authority) any, information of a confidential nature (including trade secrets and information of commercial

value) which may become known to such party from the other party and which relates to the other party or any of its Affiliates, unless that information is public knowledge or already known to such party at the time of disclosure, or subsequently becomes public knowledge other than by breach of this licence, or subsequently comes lawfully into the possession of such party from a third party. Each party shall use its reasonable endeavours to prevent the unauthorised disclosure of any such information.

10.2 No party shall make, or permit any person to make, any public announcement concerning these terms and conditions without the prior written consent of the other parties (such consent not to be unreasonably withheld or delayed), except as required by law, any governmental or regulatory authority (including, without limitation, any relevant securities exchange), any court or other authority of competent jurisdiction.

11. DSL'S WARRANTIES

11.1 Software Warranty

(a) DSL warrants that the Software will conform in all material respects to the Specification for a period of 1 year from the date the Customer commences operational use of the Software provided always that such defect or fault does not result from an act or omission of the Customer, or anyone acting with the authority of the Customer, having amended the Software or used it outside the terms of the licence granted under the terms of clause 4 ;

(b) DSL does not warrant the Third Party Software; and

(c) DSL does not warrant that the use of the Software will be uninterrupted or error-free;

11.2 Hardware Warranty

(a) DSL does not warrant the Equipment. DSL assigns to the Customer the benefits of such warranties and guarantees that it has received from the manufacture and/or DSL's supplier of the Hardware only to the extent that it is able to do so.

11.3 Services Warranty

(a) DSL warrants to the Customer that the Services will be performed:

(i) in accordance with all applicable laws and regulations; and

(ii) using reasonable skill and care.

(b) No representation or warranty is given by DSL that all faults will be fixed within a specified period of time.

11.4 All other conditions, warranties or other terms which might have effect between the parties or be implied or incorporated into this licence or any collateral contract, whether by statute, common law or otherwise, are hereby excluded, including the implied conditions, warranties or other terms as to satisfactory quality, fitness for purpose or the use of reasonable skill and care.

12. THE CUSTOMER'S RESPONSIBILITIES

12.1 The Customer shall:

(a) ensure that appropriate environmental conditions are maintained for the Supported Software and the hardware and shall take all reasonable steps to ensure that the Supported Software and the hardware is operated in a proper manner by the Customer's employees;

(b) allow DSL full and free access to the Software and shall give DSL all reasonable assistance in the diagnosis of the reasons for any malfunction;

(c) report all faults promptly to DSL; and

(d) keep full back up copies of all of its data.

13. LIMITS OF LIABILITY:

THE CUSTOMER'S ATTENTION IS PARTICULARLY DRAWN TO THIS CLAUSE.

13.1 Except as expressly stated in *clause 13.2*:

(a) DSL shall not in any circumstances have any liability for any losses or damages which may be suffered by the Customer (or any person claiming under or through the Customer), whether the same are suffered directly or indirectly or are immediate or consequential, and whether the same arise in contract, tort (including negligence) or otherwise howsoever, which fall within any of the following categories:

(i) special damage even if DSL was aware of the circumstances in which such special damage could arise;

(ii) loss of profits;

(iii) loss of anticipated savings;

(iv) loss of business opportunity;

(v) loss of goodwill;

(vi) loss or corruption of data,

provided that this *clause 13.1(a)* shall not prevent claims for loss of or damage to the Customer's tangible property that fall within the terms of *clause 13.1(b)* or any other claims for direct financial loss that are not excluded by any of categories (i) to (vi) inclusive of this *clause 13.1(a)*;

(b) the total liability of DSL, whether in contract, tort (including negligence) or otherwise and whether in connection with this Contract or any collateral contract, shall:

(i) during the warranty period referred to in *clause 11.1(a)*, in no circumstances exceed a sum equal to the aggregate of the payments set out in *clause 8.3(a)* exclusive of VAT and any other appropriate taxes;

(ii) in relation to the Support Services, in no circumstances exceed a sum equal to the amount paid by the Customer exclusive of VAT and any other appropriate taxes for the Support Service in the year ended on the date the circumstances arose that gives rise to such claim; and

(iii) in relation to the Additional Services, in no circumstances exceed the amount paid by the Customer exclusive of VAT and any other appropriate taxes for the Additional Services

(c) the Customer agrees that, in entering into this Contract, either it did not rely on any representations (whether written or oral) of any kind or of any person other than those expressly set out in this Contract or (if it did rely on any representations, whether written or oral, not expressly set out in this Contract) that it shall have no remedy in respect of such representations and (in either case) DSL shall have no liability in any circumstances otherwise than in accordance with the express terms of this licence.

13.2 The exclusions in *clause 11.4* and *clause 13.1* shall apply to the fullest extent permissible at law, but DSL does not exclude liability for:

(a) death or personal injury caused by the negligence of DSL, its officers, employees, contractors or agents;

(b) fraud or fraudulent misrepresentation;

(c) breach of the obligations implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or

(d) any other liability which may not be excluded by law.

13.3 All dates supplied by DSL for the delivery of the Software shall be treated as approximate only. DSL shall not in any circumstances be liable for any loss or damage arising from any delay in delivery beyond such approximate dates.

13.4 All references to "DSL" in this *clause 12* shall, for the purposes of this clause and *clause 21* only, be treated as including all employees, subcontractors and suppliers of DSL and its Affiliates, all of whom shall have the benefit of the exclusions and limitations of liability set out in this clause, in accordance with *clause 21*.

14. INTELLECTUAL PROPERTY RIGHTS

14.1 The Customer acknowledges that all Intellectual Property Rights in the Software belongs to DSL or third party owners (as the case may be), and the Customer shall have no rights in or to the Software other than the right to use it in accordance with the terms of *clause 4* of these Terms and Conditions.

15. DURATION AND TERMINATION

15.1 Unless previously terminated under the provisions of *clause 15.2*, that part of the Contract that relates to the provision of Supported Service shall take effect on the commencement date specified in the Maintenance Certificate for an initial term of one year and shall continue thereafter unless terminated by either DSL or the Customer giving the other not less than 90 days' written notice.

15.2 Without affecting any other right or remedy available to it, DSL may terminate this Contract with immediate effect if:

(a) the Customer fails to pay any amount due under these terms and conditions on the due date for payment and remains in default not less than 30 days after being notified in writing to make such payment;

(b) the Customer commits a material breach of any other term of these terms and conditions other than *clause (a)* above which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 20 days after being notified in writing to do so;

(c) the Customer suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;

(d) the Customer commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors;

(e) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Customer;

(f) an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is given or if an administrator is appointed, over the Customer;

(g) the holder of a qualifying floating charge over the assets of the Customer has become entitled to appoint or has appointed an administrative receiver;

(h) a person becomes entitled to appoint a receiver over the assets of the Customer or a receiver is appointed over the assets of the Customer;

(i) a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the Customer's assets and such attachment or process is not discharged within [14] days;

(j) any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in *clause 15.2(c)* to *clause 15.2(i)* (inclusive);

(k) the Customer suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or

(l) there is a change of control of the Customer (within the meaning of section 1124 of the Corporation Tax Act 2010).

15.3 Any provision of these terms and conditions that expressly or by implication is intended to come into or continue in force on or after termination or expiry of these terms and conditions shall remain in full force and effect.

15.4 Termination or expiry of these terms and conditions shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination or expiry.

15.5 On termination for any reason:

(a) all rights granted to the Customer under clause 4 above shall cease;

(b) the Customer shall cease all activities authorised by clause 4 above;

(c) the Customer shall immediately pay to DSL any sums due to DSL under the Contract; and

(d) the Customer shall immediately destroy or return to DSL (at DSL's option) all copies of the Software then in its possession, custody or control and, in the case of destruction, certify to DSL that it has done so.

16. FORCE MAJEURE

16.1 Neither party shall be in breach of these terms and conditions nor liable for delay in performing, or failure to perform, any of its obligations under these terms and conditions if such delay or failure result from events, circumstances or causes beyond its reasonable control. In such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations. If the period of delay or non-performance continues for six months, the party not affected may

terminate these terms and conditions by giving 30 day's written notice to the affected party.

17. WAIVER

No failure or delay by a party to exercise any right or remedy provided under this Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

18. REMEDIES

Except as expressly provided in this Contract, the rights and remedies provided under these terms and conditions are in addition to, and not exclusive of, any rights or remedies provided by law.

19. ENTIRE AGREEMENT

19.1 DSL shall not be liable to the Customer for any loss arising from or in connection with any statements, agreements, undertakings or representations made before this Contract comes into effect other than those representations contained in this Contract.

20. SEVERANCE

20.1 If any provision or part-provision of this Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of these terms and conditions.

20.2 If any provision or part-provision of these terms and conditions is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

21. THIRD-PARTY RIGHTS

21.1 DSL and the entities referred to in *clause 13.4* may enforce the terms of *clause 11* and *clause 12* subject to and in accordance with this *clause 21*, this licence and the Contracts (Rights of Third Parties) Act 1999.

21.2 Except as provided in *clause 21.1*, a person who is not a party to this Contract shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Contract, but this does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

22. NOTICES

22.1 Any notice given to a party under or in connection with this Contract shall be in writing and shall be either:

(a) 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

(b) sent by email to the respective email address of each party set out in the Licence and/or Maintenance Certificate.

22.2 Any notice shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address; or
- (b) if sent by pre-paid first-class post at 9.00 am on the second Business Day after posting; or
- (c) if sent by other next working day delivery service, at the time recorded by the delivery service; or
- (d) if sent by email, at the time a confirmation email has been received by the sender from the recipient.

22.3 For the avoidance of doubt, a notice under the provisions under this clause 22 shall not be validly served if sent by fax.

22.4 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. For the purposes of this clause, "writing" shall not include e-mail.

23. GOVERNING LAW AND JURISDICTION

This Contract and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive.