

DATED <DATE OF AGREEMENT>

(1) Avco Systems Ltd, 17 Bath Road, Slough, SL1 3UF

(2) <BUYER NAME & ADDRESS>

<SERVICE NAME> SERVICE AGREEMENT

THIS AGREEMENT is made the DD day of Month YYYY

BETWEEN:

- (1) Avco Systems Ltd a company registered in the United Kingdom under number 1976620 whose registered office is at 17 Bath Road, Slough, SL1 3UF (“the Service Provider”) and
- (2) <NAME OF COMPANY> a company registered in <COUNTRY OF REGISTRATION> under number <COMPANY REGISTRATION NUMBER> whose registered office is at <REGISTERED OFFICE> (“the Customer”)

WHEREAS:

- (1) The Service Provider hosts and provides access to the Applications described herein in its capacity as an Application Service Provider.
- (2) The Customer wishes to access the Applications described herein as hosted by the Service Provider under a non-exclusive Licence, from a remote location, in return for the payment of a monthly fee and subject to the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. Definitions and Interpretation

- 1.1 In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

“Applications”	means the selected software applications provided by the Service which shall be available to the Customer, as set out in Schedule 2 of this Agreement;
“Service Infrastructure”	means the Service Provider’s computer hardware, firmware, software and communications infrastructure which is used to facilitate access to the Applications by the Customer;
“Business Day”	means any day other than Saturday or Sunday that is not a bank or public holiday;
“Business Hour”	means any time between 8:30 and 18:00 on a Business Day, during which the Service Provider is open for business;
“Commencement Date”	means the date of the agreement;
“Confidential Information”	means all business, technical, financial or other information created or exchanged between the Parties throughout the Term of this Agreement;
“Customer Computer Systems”	means the Customer’s computer hardware, firmware, software and communications infrastructure through and on which the Applications are to be used;

“Customer Data”	means any data belonging to the Customer or to third parties and used by the Customer under licence which is created using the Applications or otherwise stored in the Service Infrastructure;
“Fees”	means the sums payable by the Customer in return for access to the Applications, the Service Infrastructure and support services provided by the Service Provider in accordance with Clauses 4 and 12 and Schedule 1 of this Agreement;
“Intellectual Property Rights”	means all vested contingent and future intellectual property rights including but not limited to copyright, trade marks, service marks, design rights (whether registered or unregistered), patents, know-how, trade secrets, inventions, get-up and database rights;
“Non-Customer User”	means a non-employee of the Customer who is authorised to use the system by the Customer, under the Customers licence.
“Service”	means, collectively, the Applications, Service Infrastructure and support services provided by the Service Provider to the Customer; and
“Users”	means an employee of the Customer who shall, from time to time, access the Applications through the Service Infrastructure.
“Site”	means a unique property address where a group of users operate from.

- 1.2 Unless the context otherwise requires, each reference in this Agreement to:
 - 1.2.1 “writing”, and any cognate expression, includes a reference to any communication effected by electronic or facsimile transmission or similar means;
 - 1.2.2 a statute or a provision of a statute is a reference to that statute or provision as amended or re-enacted at the relevant time;
 - 1.2.3 “this Agreement” is a reference to this Agreement and each of the Schedules as amended or supplemented at the relevant time;
 - 1.2.4 a Schedule is a schedule to this Agreement; and
 - 1.2.5 a Clause, sub-Clause or paragraph is a reference to a Clause of this Agreement (other than the Schedules) or a paragraph of the relevant Schedule.
- 1.3 The headings used in this Agreement are for convenience only and shall have no effect upon the interpretation of this Agreement.
- 1.4 Words imparting the singular number shall include the plural and vice versa.
- 1.5 References to any gender shall include the other gender.

2. The Service

- 2.1 The Service Provider shall, with effect from the Commencement Date, provide the Service to the Customer on a non-exclusive basis for the duration of the Term of this Agreement and in accordance with the terms and conditions of this Agreement.
- 2.2 The Service Provider shall provide access to the Applications through the Service Infrastructure and shall use its best and reasonable endeavours to ensure that such access is available, without interruption, 24 hours a day, 7 days a week, 365 days a year. This undertaking shall be subject to the exceptions contained in Clauses 4, 8, 12, 18 and 19 of this Agreement.

3. Term

- 3.1 The Service will be provided by the Service Provider during the term of this agreement (the "Term"), which shall commence on the Commencement Date and will continue until **<END DATE>** unless otherwise terminated in accordance with Clause 19 of this Agreement.
- 3.2 The Term may be renewed on the same terms and conditions as set out in this Agreement for a further period of 1 years upon the mutual consent of both Parties.

4. Fees and Payment

- 4.1 The Fees due for the Service are specified in Schedule 1 to this Agreement.
- 4.2 The Customer shall pay to the Service Provider all Fees due within 30 days of receipt of an invoice from the Service Provider for the same.
- 4.3 In the event that the Customer does not pay all Fees due within the time period specified in sub-Clause 4.2 above, the Service Provider shall suspend the Customer's use of the Service by whatever means it deems appropriate, subject to the requirement that such shall not disrupt any other of the Customer's operations.
- 4.4 In the event that the Customer fails to pay under sub-Clause 4.3 then, without prejudice to sub-Clause 4.3, that amount shall bear interest from the due date until payment is made in full, both before and after any judgment, at 3% per annum over the Bank of England base rate obtaining at the time.
- 4.5 The Service Provider reserves the right to vary the Fees from time to time as it may deem appropriate. The Customer shall receive 30 days' written notice of any such variation. Such variations shall take effect upon expiry of such notice.

5. The Applications

- 5.1 The Applications to which the Customer shall have access are detailed in Schedule 2 to this Agreement.
- 5.2 The Customer is free during the term of this Agreement to either add to or remove from the selection of Applications, subject to availability of required applications from the Service Provider. The Fees shall be amended accordingly in the event of such modification.

6. **Training**

In the event that any Users require training in order to use the Applications, it shall be the responsibility of the Customer to ensure that all Users are appropriately trained and to bear any costs associated with such training. The Service Provider can provide training at an additional cost.

7. **Security**

7.1 The Service Provider shall maintain ISO27001 certification and will provide a copy of the certificate upon request.

8. **Maintenance**

8.1 The Service Provider shall be responsible for all maintenance and upgrades to the Service Infrastructure which may from time to time be required.

8.2 Subject to the provisions of Clause 12, the Customer shall be responsible for all maintenance and upgrades to the Customer Computer Systems which may from time to time be required.

8.3 Whenever possible, the Service Provider shall use its best and reasonable endeavours to undertake maintenance work outside of normal business hours (08:30 to 18:00). Corrective maintenance shall be undertaken as and when required.

8.4 Unless maintenance is corrective in nature, the Service Provider shall provide at least 7 Business Days' notice of any maintenance which may affect the Customer's use of the Service. The Service Provider shall use its best and reasonable endeavours to provide as much notice as possible in the case of corrective maintenance, however advance notice may not always be possible.

8.5 Where maintenance will disrupt the Service, the Service Provider shall aim to complete all necessary work within 1 Business Hour or as soon as possible thereafter where resolution in that time is not possible.

8.6 Whenever possible, the Service Provider shall provide a workaround solution to the Customer to enable the Customer's continued use of the Service or to enable use that is as close to normal as is possible under the prevailing circumstances.

9. **Software Licences**

9.1 The Customer shall use all Applications under a non-exclusive, non-transferrable licence, as set out in this Agreement. The limitations under this licence are detailed in Schedule 1. Users can access the Applications at any given time and such access is only permitted through the Web Interface, provided client software or any documented API mechanism.

9.2 All Applications provided by the Service Provider are the property of the Service Provider unless otherwise stated and shall be covered by the terms of the licence included in this Agreement.

9.3 Where Applications are the property of a third party, the Service Provider

warrants that they have all requisite authority to sub-licence such applications to the customer for the purposes of this Agreement and for use under its terms.

10. Applications and Service Infrastructure Terms of Use

- 10.1 Under this Agreement, as indicated in sub-Clause 9.1 access to the service is limited by licence restrictions as detailed in Schedule 1.
- 10.2 Users' access to the Applications and the Service Infrastructure shall be controlled by means of authenticated access.
- 10.3 Should the Customer require an increase to the licence, such an increase shall be permitted at the exclusive discretion of the Service Provider. The Service Provider reserves the right to increase Fees proportionately, in accordance with Schedule 1.
- 10.4 The Service Provider shall monitor the Customer's use of the Applications and Service Infrastructure from time to time to ensure compliance with the terms and conditions of this Agreement.
- 10.5 The Customer may only access the Applications detailed in Schedule 2 to this Agreement. No access to other parts of the Service Infrastructure shall be permitted in the absence of express written permission from the Service Provider.
- 10.6 The Customer is exclusively responsible for its use of the Service, including the conduct of individual Users (Users to include any authorised Non-Customer Users) and must ensure that all use is in accordance with this Agreement. The Customer shall notify the Service Provider immediately of any breaches of this Agreement by any Users or Non-Customer Users.
- 10.7 Access to the Applications is only permitted through the Web Interface, provided client software or any documented API mechanism, via the Service Infrastructure. Under no circumstances may the Customer download, store, reproduce or redistribute the Applications or any other part of the Service Infrastructure, without first obtaining the express written permission of the Service Provider.
- 10.8 The Customer's use of the Applications and Service Infrastructure may, from time to time, be governed by statutory or regulatory rules and requirements external to the terms and conditions of this Agreement. It shall be the Customer's exclusive responsibility to ensure that their use of the Service is in compliance with any such laws.
- 10.9 The Customer's use of the Service shall be subject to the following limitations, any of which may be waived by the Service Provider giving their express written consent:
 - 10.9.1 The Customer may not use or redistribute the Applications or the Service Infrastructure for the purpose of conducting the business of an Application Service Provider;
 - 10.9.2 The Customer may not redistribute or reproduce the Applications or the Service Infrastructure through any network; and
 - 10.9.3 The Customer may not allow any unauthorised third party to access the Applications or the Service Infrastructure.
- 10.10 Neither the Customer, nor anyone on their behalf may, in the absence of

written consent from the Service Provider:

10.10.1 Make changes of any kind to the Applications or the Service Infrastructure; or

10.10.2 Attempt to correct any fault or perceived fault in the Applications or the Service Infrastructure.

10.11 The Customer must not use the Application or Service Infrastructure to upload, share or distribute any material that could be considered harmful. This includes, but is not limited to computer viruses, keyloggers, rootkits or other malicious computer software.

10.12 User accounts must be unique to an individual and credentials must not be shared with other users.

11. Customer Computer Systems

11.1 Where, in the opinion of the Service Provider, Customer Computer Systems are likely to cause disruption to the Service Infrastructure, the Service Provider may request that the Customer disconnects from the Service Infrastructure until advised that reconnection is possible. The Service Provider may block access to the Service Infrastructure to limit the impact on other users.

11.2 In the event of any unauthorised access by the Customer of Applications or the Service Infrastructure, in breach of sub-Clause 10.3 or otherwise the Service Provider shall be entitled to terminate access indefinitely or temporarily as it deems appropriate and to terminate this Agreement in accordance with Clause 19 below.

11.3 The Customer shall ensure that no Customer Computer Systems are connected to a third party application or other service, communications system or network in such a way that the Service may be accessed by unauthorised third parties.

12. Support

12.1 The Service Provider shall provide telephone and email support services during their normal business hours of 08:30 to 18:00 Monday to Friday. such business hours to exclude public holidays. The support provided by the Service Provider shall relate only to the Applications and Service Infrastructure. Any problems which are related to Customer Computer Systems must be resolved by the Customer's own support staff.

12.2 In addition to the standard support provided for in sub-Clause 12.1, the Service Provider shall also provide telephone, email support services outside of their normal business hours. Such additional support services shall be available at additional cost to the Customer at the rates set out in Schedule 1.

12.3 When seeking support the Customer shall use its best and reasonable endeavours to provide the fullest information possible to aid the Service Provider in diagnosing any faults in either the Applications or the Service Infrastructure.

12.4 The Service Provider shall aim to resolve all critical problems that prevent the Customer from continuing normal business operations within 2 Business Hours or as soon as possible thereafter where resolution in that time is not possible.

- 12.5 Whenever possible, the Service Provider shall provide a workaround solution to the Customer to enable the Customer's continued use of the Service or to enable use that is as close to normal as is possible under the prevailing circumstances.

13. Intellectual Property

- 13.1 Subject to sub-Clause 13.2 all Intellectual Property Rights subsisting in the Applications and the Service Infrastructure, including any supporting software and documentation are the property of the Service Provider. For the purposes of this Clause 13, 'Applications' and 'Service Infrastructure' along with supporting software and documentation are taken to include the manner in which all such material is compiled and presented.
- 13.2 Where expressly indicated, the Intellectual Property Rights subsisting in certain Applications including any supporting software and documentation may be the property of named third parties.
- 13.3 The Customer shall not either during the term or after the expiry of this Agreement permit or cause to occur any infringement of any Intellectual Property Rights covered by this Clause 13. Use by the Customer and its employees of the Service shall be only within the terms of this Agreement.
- 13.4 The Customer shall not, in the absence of the Service Provider's written consent, reproduce, adapt, translate, reverse-engineer, or make available to any third party any of the Applications, any part of the Service Infrastructure, or any other material associated with this Agreement where such activity goes beyond the scope of actions permitted by the terms and conditions of this Agreement.
- 13.5 Where the Customer either suspects or is aware of any breach of Intellectual Property Rights covered by this Clause 13 it shall be under a duty to inform the Service Provider of such breach immediately.

14. Customer Data

- 14.1 Subject to sub-Clause 14.2 all Intellectual Property Rights subsisting in Customer Data are and shall remain the property of the Customer.
- 14.2 Certain Customer Data may belong to third parties. In such cases, the Customer warrants that all such Customer Data is used with the consent of relevant third parties.

15. Confidentiality

- 15.1 During the Term of this Agreement and after the termination or expiration of this Agreement for any reason, the Service Provider shall use its best and reasonable endeavours to ensure that all Customer Data is kept secure and confidential. The Service Provider shall not, in the absence of express written consent from the Customer, disclose Customer Data to any third party unless such disclosure is required by law in which case the Customer shall be notified in writing of the disclosure.
- 15.2 During the Term of this Agreement and after termination or expiration of this Agreement for any reason for a period of one year, the following obligations

shall apply to the Party receiving Confidential Information (the “Receiving Party”) from the other Party (the “Disclosing Party”).

- 15.3 Subject to sub-Clause 15.4, the Receiving Party:
 - 15.3.1 may not use any Confidential Information for any purpose other than the performance of their obligations under this Agreement;
 - 15.3.2 may not disclose any Confidential Information to any third party except with the prior written consent of the Disclosing Party; and
 - 15.3.3 shall make every effort to prevent the unauthorised use or disclosure of the Confidential Information.
- 15.4 The obligations of confidence referred to in this Clause 15 (excluding sub-Clause 15.1) shall not apply to any Confidential Information that:
 - 15.4.1 is in the possession of and is at the free disposal of the Receiving Party or is published or is otherwise in the public domain prior to its receipt by the Receiving Party;
 - 15.4.2 is or becomes publicly available on a non-confidential basis through no fault of the Receiving Party;
 - 15.4.3 is required to be disclosed by any applicable law or regulation; or
 - 15.4.4 is received in good faith by the Receiving Party from a third party who, on reasonable enquiry by the Receiving Party claims to have no obligations of confidence to the Disclosing Party in respect thereof and who imposes no obligations of confidence upon the Receiving Party.
- 15.5 Without prejudice to any other rights or remedies the Disclosing Party may have, the Receiving Party acknowledges and agrees that in the event of breach of this Clause the Disclosing Party shall, without proof of special damage, be entitled to an injunction or other equitable remedy for any threatened or actual breach of the provisions of this Clause in addition to any damages or other remedies to which they may be entitled.
- 15.6 The obligations of the Parties under all provisions of this Clause shall survive the expiry or the termination of this Agreement irrespective of the reason for such expiry or termination.

16. **Liability**

- 16.1 The Service Provider shall not be liable to the Customer for any indirect or consequential loss the Customer may suffer even if such loss is reasonably foreseeable or if the Service Provider has been advised of the possibility of the Customer incurring it.
- 16.2 The Service Provider’s entire liability to the Customer in respect of any breach of its contractual obligations, any breach of warranty, any representation, statement or tortious act or omission including negligence arising under or in connection with this Agreement shall be limited to the amounts paid out under this agreement.
- 16.3 Notwithstanding any other provision in this Agreement, the Service Provider’s liability to the Customer for death or injury resulting from the Service Provider’s own negligence or that of their employees, agents or sub-contractors shall not be limited.

17. Indemnity

- 17.1 The Customer will fully indemnify the Service Provider against all costs, expenses, liabilities, losses, damages and judgments that the Service Provider may incur or be subject to as a result of any of the following:
 - 17.1.1 The Customer's misuse of the Applications, Service Infrastructure or any other element of the Service;
 - 17.1.2 The Customer's breach of this Agreement; or
 - 17.1.3 The Customer's negligence or other act of default.
- 17.2 The Service Provider shall be under no obligation to indemnify the Customer against any costs, expenses, liabilities, losses, damages and judgments that the Customer may incur or be subject to arising out of any matter covered by this Agreement.

18. Force Majeure

- 18.1 Neither the Service Provider nor the Customer shall be liable for breaching this Agreement where that breach results from Force Majeure.
- 18.2 Force Majeure refers to any event that is beyond the reasonable control of the parties and includes, but is not limited to: power failure, internet service provider failure, industrial action, civil unrest, theft, fire, flood, storms, earthquakes, acts of terrorism, acts of war, governmental action or any other event that is beyond the control of the Party in question.

19. Termination

- 19.1 The Service Provider reserves the right to terminate this Agreement or to suspend the Service in the following circumstances:
 - 19.1.1 If the Customer fails to pay Fees due under Clause 4 of this Agreement;
 - 19.1.2 If the Customer is in breach of the terms of this Agreement;
 - 19.1.3 If the Customer becomes the subject of a voluntary arrangement under Section 1 of the Insolvency Act 1986;
 - 19.1.4 If the Customer is unable to pay its debts within the definition of Section 123 of the Insolvency Act 1986; or
 - 19.1.5 If the Customer has a receiver, manager, administrator or administrative receiver appointed over all or a substantial part of its undertakings, assets, or income; has passed a resolution for its winding up; or is the subject of a petition presented to a court for its winding up or for an administration order.
- 19.2 The Customer reserves the right to terminate this Agreement in the following circumstances:
 - 19.2.1 If the Service Provider is in breach of the terms of this Agreement;
 - 19.2.2 If the Service Provider becomes the subject of a voluntary arrangement under Section 1 of the Insolvency Act 1986;
 - 19.2.3 If the Service Provider is unable to pay its debts within the definition of Section 123 of the Insolvency Act 1986; or

19.2.4 If the Service Provider has a receiver, manager, administrator or administrative receiver appointed over all or a substantial part of its undertakings, assets, or income; has passed a resolution for its winding up; or is the subject of a petition presented to a court for its winding up or for an administration order.

20. Notices

20.1 All notices under this Agreement shall be in writing.

20.2 Notices shall be deemed to have been duly given:

20.2.1 when delivered, if delivered by courier or other messenger (including registered mail) during normal business hours of the recipient; or

20.2.2 when sent, if transmitted by fax or e-mail and a successful transmission report or return receipt is generated; or

20.2.3 on the fifth business day following mailing, if mailed by national ordinary mail, postage prepaid; or

20.2.4 on the tenth business day following mailing, if mailed by airmail, postage prepaid.

20.3 In each case notices should be addressed to the most recent address, e-mail address, or facsimile number notified to the other Party.

21. Relationship of Parties

Nothing in this Agreement shall create, or be deemed to create, a partnership, the relationship of principal and agent, or of employer and employee between the Service Provider and the Customer.

22. Assignment

Neither Party shall assign, transfer, sub-contract, or in any other manner make over to any third party the benefit and/or burden of this Agreement without the prior written consent of the other, such consent not to be unreasonably withheld.

23. Severance

The Parties agree that, in the event that one or more of the provisions of this Agreement is found to be unlawful, invalid or otherwise unenforceable, that / those provisions shall be deemed severed from the remainder of this Agreement. The remainder of this Agreement shall be valid and enforceable.

24. Entire Agreement

24.1 This Agreement embodies and sets forth the entire agreement and understanding between the Parties and supersedes all prior oral or written agreements, understandings or arrangements relating to the subject matter of this Agreement. Neither Party shall be entitled to rely on any agreement, understanding or arrangement not expressly set forth in this Agreement, save for any representation made fraudulently.

24.2 Unless otherwise expressly provided elsewhere in this Agreement, this Agreement may be varied only by a document signed by both of the Parties.

25. No Waiver

The Parties agree that no failure by either Party to enforce the performance of any provision in this Agreement shall constitute a waiver of the right to subsequently enforce that provision or any other provision of this Agreement. Such failure shall not be deemed to be a waiver of any preceding or subsequent breach and shall not constitute a continuing waiver.

26. Non-Exclusivity

The relationship between the Parties under this Agreement is and shall remain non-exclusive. Both parties are free to enter into similar relationships with other parties.

27. Dispute Resolution (Arbitration)

27.1 It is agreed that where any dispute or difference relating to this Agreement arises between the Parties that matter shall be referred to the arbitration of a single arbitrator with appropriate qualifications and practical experience to resolve the particular dispute.

27.2 The arbitrator shall be agreed by the Parties or in the event of failure to agree shall be appointed by the President for the time being of the Law Society of England and Wales.

27.3 The arbitration shall take place at an agreed location and shall be in accordance with the Arbitration Act 1996 or any re-enactment or modification of that Act for the time being in force.

27.4 The Parties shall promptly furnish to the arbitrator all information reasonably requested by him relating to the particular dispute, imposing appropriate obligations of confidence.

27.5 The Parties shall require the arbitrator to use all reasonable endeavours to render his decision within 30 days following his receipt of the information requested or if this is not possible as soon thereafter as may reasonably be practicable. The Parties shall co-operate fully with the arbitrator to achieve this objective.

27.6 The Parties shall share the fees and expenses of the arbitrator equally. The decision of the arbitrator shall be final and binding upon both Parties.

27.7 [The Parties agree to exclude any right of application or appeal to the courts of England and Wales concerning any question of law arising in the course of the arbitration.]

28. Law and Jurisdiction

28.1 This Agreement shall be governed by the laws of England and Wales.

28.2 [Any dispute between the Parties relating to this Agreement shall fall within the jurisdiction of the courts of England and Wales.]

IN WITNESS WHEREOF this Agreement has been duly executed the day and year first before written

SIGNED by

<SERVICE PROVIDER SIGNED NAME>

for and on behalf of Avco Systems Ltd

SIGNED by

<BUYER SIGNED NAME>

for and on behalf of <BUYER COMPANY NAME>

SCHEDULE 1

Fees

1. Service Fees

INSERT SERVICE FEES

2. Licence Fees

INSERT LICENCE FEES

3. Additional Support Charges

INSERT ADDITIONAL SUPPORT CHARGES

4. Additional Costs

INSERT ADDITIONAL COSTS

SCHEDULE 2

Applications

SERVICE DESCRIPTION