

1. DEFINITIONS

- 1.1. "Customer" or "Authority" means the (enter Customer's name here) and where the context permits, reference to the Customer in these Terms and Conditions shall include reference to an employee of the Customer.
- 1.2. "Fees" means the price or rate for the Engagement or the Project given in the Purchase Order.
- 1.3. "Order Number" means the unique number that appears on the Purchase Order.
- 1.4. "Engagement" or "Project" or "Assignment" means the services described in the Purchase Order and any associated documentation.
- 1.5. "Consultants" means any employee, agent, sub-contractor, contractor, consultant or other third party engaged by Technest for the purpose of providing the Services.
- 1.6. "Business Day" means any day other than a Saturday, Sunday or a public holiday in Bulgaria.
- 1.7. "Confidential Information" means all information whether technical or commercial (including all specifications, drawings and designs, disclosed in writing, on disc, orally or by inspection of documents or pursuant to discussions between the parties), where the information is identified as confidential at the time of disclosure or which ought reasonably to be considered confidential given the nature of the information or the circumstances of disclosure.
- 1.8. "Deliverables" means any products and materials that are required to be developed by the Supplier pursuant to the Services in any media, including, without limitation, computer programs, data, diagrams, reports and specifications (including drafts).
- 1.9. "Services" means the services to be performed by the Supplier as set out in the Purchase Order.
- 1.10. "Supplier" means the person, firm or company whose name appears as the addressee in the Purchase Order.
- 1.11. "Intellectual Property Rights" all inventions, patents, registered designs, trademarks, copyright, data base rights and any other intellectual property right whether or not registered or capable of registration.

2. GENERAL

- 2.1. These Terms and Conditions together with the relevant Purchase Order and any other document, plan or specification referred to in the Purchase Order constitute the contract between the Parties for the Project ('the Contract').
- 2.2. The Customer acknowledges that Technest Software Solutions Ltd may determine the manner in which its services are provided so long as they are provided in a manner that is consistent with the Assignment.
- 2.3. A third party who is not a Party to this agreement shall have no right under the Contract (Rights of Third Parties) Act 1999 to enforce any provision of this agreement.
- 2.4. This agreement shall be construed in accordance with the Laws of England and shall be subject to the exclusive jurisdiction of the courts of England.
- 2.5. Nothing in this Contract shall have the effect of making the Supplier a servant or employee of the Customer.

3. INTELLECTUAL PROPERTY RIGHTS

- 3.1. The intellectual property rights (including the copyright) in any reports, documentation and materials produced by the Supplier shall vest in the Supplier. The intellectual property rights (including copyright) in the services developed and provided by the Supplier shall vest in the Supplier. Technest will grant the Customer an unconditional, royalty-free and irrevocable licence to use the reports, documentation and materials produced by the Supplier where they are identified as deliverables in the Purchase Order provided always that the Customer has paid to Technest all monies due under this Agreement for the creation of the same. This licence is conditional upon and shall occur only when the Customer has paid all monies due under this Agreement to Technest for the development of the same.
- 3.2. The Customer hereby grants to the Supplier (and shall procure the grant to the Supplier of) a royalty-free, non-transferable, non-exclusive licence during the Term to use any information, know-how and materials made available by the Customer to the Supplier under or in connection with this Agreement solely to the extent necessary to perform its obligations under this Agreement.

- 3.3. The Customer warrants that any design or instructions furnished or given by the Customer to the Supplier for the purpose of the Contract shall not cause the Supplier to infringe any intellectual or industrial property rights including without limitation any copyright, patent or registered design, in the performance of the Contract and, to the extent that Supplier shall so infringe, the Customer shall indemnify the Supplier in full against all costs, charges, claims and expenses incurred directly or indirectly as a result of such infringement (a "Claim").

4. CONFIDENTIALITY

- 4.1. Each party shall protect the Confidential Information of the other party against unauthorised disclosure by using the same degree of care as it takes to preserve and safeguard its own confidential information of a similar nature, being at least a reasonable degree of care.
- 4.2. Confidential Information may be disclosed by the receiving party to its employees, affiliates and professional advisers, provided that the recipient is bound in writing to maintain the confidentiality of the Confidential Information received.

5. DATA PROTECTION

- 5.1. Each party warrants, represents and undertakes to the other party that it shall comply with its respective obligations under the Data Protection Act 1988.
- 5.2. To the extent that the Services involve the processing of any personal data in respect of which the Customer is the data controller, the Supplier shall:
- 5.2.1. be acting as a data processor only;
 - 5.2.2. process such personal data only in accordance with the Customer's written instructions and only as required to perform its obligations under this Agreement;
 - 5.2.3. take technical and organisational measures which are consistent with best industry practice against unauthorised or unlawful processing of such personal data and against accidental loss or destruction of, or damage to, such personal data; and
 - 5.2.4. at all times take reasonable steps to ensure the reliability of those of its employees who have access to the personal data held on behalf of the

Customer and shall use its best endeavours to ensure their compliance with the obligations set out in this clause.

- 5.3. In this Clause 5, "personal data", "data controller" and "data processor" has the meaning given in the Data Protection Act 1998.

6. LIABILITY

- 6.1. Subject to Clause 6.3, neither party shall be liable (whether for breach of Contract, negligence, misrepresentation, under any indemnity or for any other reason) for any:
- 6.1.1. indirect, special or consequential loss;
 - 6.1.2. loss of profits; or
 - 6.1.3. loss of revenue.
- 6.2. Subject to Clause 6.3, Technest Software Solutions Ltd's total and aggregate liability shall be limited to payment of losses and damages not exceeding the invoiced value of services provided under the contract in question. Subject to clause 6.3, the Customer's total and aggregate liability under the Contract shall be limited to payment of any losses or damages not exceeding the invoiced value of services provided under the contract in question.
- 6.3. Nothing in this Contract excludes or limits either party's liability to the other:
- 6.3.1. for death or personal injury caused by its negligence or that of its employees or agents;
 - 6.3.2. for fraud or fraudulent misrepresentation;
 - 6.3.3. for any breach of clause 3 of these Terms; or
 - 6.3.4. in relation to any other liability which cannot be excluded or limited by law.
- 6.4. This document constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all previous agreements with respect thereto.

7. FORCE MAJEURE

- 7.1. If an event which is not within the reasonable control of either party (an event of "force majeure") prevents a party from performing an obligation arising pursuant to this agreement then that party will be excused from the performance of that

obligation. Contract fulfilment will be resumed as soon as that event of force majeure has ceased or can be avoided by the use of reasonable efforts. The affected party will not be liable for delay or non- fulfilment of this Agreement resulting (directly or indirectly) from the event of force majeure. Nothing in this clause will apply to any obligation on a party to make a payment to the other.

8. PAYMENT

- 8.1. Unless otherwise specifically agreed, all prices quoted by Technest Software Solutions Ltd are in “GBP” – Pounds Sterling, exclusive of VAT which will be charged at the prevailing rate where applicable.
- 8.2. The Supplier shall submit an invoice for the Project to the Customer’s address for invoices given in the Purchase Order. The invoice shall contain the Order Number, a description of the part of the Project to which it refers and the applicable Fees.
- 8.3. The Customer shall reimburse the Supplier for all travelling and other expenses reasonably incurred in the provision of the Services subject to the production by the Supplier of relevant invoices or other proof of expenditure in accordance with the Customer’s policy on expenses, provided such expenses are agreed in advance by the Customer.
- 8.4. The Customer shall pay by the Supplier within 30 days of receipt and agreement of invoices, submitted in accordance with the Purchase Order, for work completed.
- 8.5. The Supplier shall be entitled to charge interest on a daily basis on any overdue amount at the rate of 4% per annum above the base rate of Royal Bank of England from time to time prevailing.

9. TERMINATION

- 9.1. Unless otherwise specifically agreed,
 - 9.1.1. This Agreement shall commence on the date it is signed by both parties. Subject to earlier termination in accordance with this clause, this Agreement shall continue in force until such time as the parties may agree.

- 9.1.2. Either party may terminate this Agreement by giving 90 days notice in writing.
- 9.2. Any termination of this Agreement shall be without prejudice to the rights and duties of either party accrued prior to termination. For the avoidance of doubt, where this Agreement is terminated but the Customer has previously agreed to purchase software, services or work for a certain value (or to obtain a set number of man hours of consultancy) from the Supplier, then the Customer shall remain liable to pay for all software or consultancy supplied or work done by the Supplier prior to the date of termination.
- 9.3. Either party may terminate this Agreement immediately at any time by written notice to the other party if that other party commits any material breach of its obligations under this Agreement which (if remediable) is not remedied within 30 days after the service of written notice specifying the breach and requiring it to be remedied; or
- 9.4. that other party:
- 9.4.1. ceases to trade (either in whole, or as to any part or division involved in the performance of this Agreement);
 - 9.4.2. becomes insolvent or unable to pay its debts within the meaning of the insolvency legislation applicable to that party;
 - 9.4.3. a person (including the holder of a charge or other security interest) is appointed to manage or take control of the whole or part of the business or assets of that party, or notice of an intention to appoint such a person is given or documents relating to such an appointment are filed with any court;
 - 9.4.4. the ability of that party's creditors to take any action to enforce their debts is suspended, restricted or prevented or some or all of that party's creditors accept, by agreement or pursuant to a court order, an amount of less than the sums owing to them in satisfaction of those sums; or
 - 9.4.5. any process is instituted which could lead to that party being dissolved and its assets being distributed to its creditors, shareholders or other contributors (other than for the purposes of solvent amalgamation or reconstruction).
- 9.5. On expiry or termination of this Agreement:

- 9.5.1. each party shall deliver to the other party all documents and materials containing the other party's Confidential Information or Intellectual Property Rights or any other data or information disclosed or supplied by the other party under or in connection with this Agreement or, at the other party's written request and option, destroy them and provide evidence of their destruction to the other party; and
- 9.5.2. the parties shall have no further obligations or rights under this Agreement, without prejudice to those which have accrued to either party prior to termination or expiry.