

ShireSystem - Hosted Service Terms and Conditions

You should print a copy of this agreement for future reference.

IMPORTANT NOTICE: PLEASE READ CAREFULLY BEFORE INSTALLING, OPENING OR ACCESSING THE SOFTWARE: This Agreement has been entered into on the date that the Software was first installed, opened or accessed.

IMPORTANT NOTICE TO ALL USERS: BY INSTALLING OR ACCESSING THE SOFTWARE YOU AGREE TO THE TERMS OF THIS AGREEMENT WHICH WILL BIND YOU AND YOUR EMPLOYEES. IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT ELECSOFT UK LTD WILL NOT MAKE THE SOFTWARE AVAILABLE TO YOU AND YOU MUST DISCONTINUE THE INSTALLATION PROCESS OR ACCESS THE SOFTWARE.

PARTIES

- (1) **ELECSOFT UK LIMITED**, incorporated and registered in England and Wales with company number 2021387, whose registered office is at Parkway House, Haddenham Business Park, Pegasus Way, Haddenham, Aylesbury, HP17 8LJ (**Elecosoft**); and
- (2) **THE CUSTOMER**, the identity and address of which are set out in the Agreement Details (**Customer**).

BACKGROUND

- A Elecosoft has developed the Services (as defined in Clause 1.1) which it makes available to subscribers via the internet on a hosted subscription basis for the purpose of modularised maintenance management.
- B The Customer wishes to use the Services in its business operations.
- C Elecosoft has agreed to provide the Services to the Customer on the terms set out in this Agreement.

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, unless the context does not so permit, the following words and expressions have the following respective meanings:

Affiliate: in relation to either Party, any legal entity controlling, controlled by or under common control with that Party, for which purpose, "control" means direct or indirect possession of the power to direct or to cause the direction of the management or policies of the Party or entity in question, whether pursuant to the ownership of voting securities, by contract or otherwise;

Agreement: the agreement between Elecosoft and the Customer for the provision of the Services, such agreement to comprise (1) these Terms; (2) the Agreement Details and (3) any other document which Elecosoft and the Customer agree shall form part of the Agreement and in the event of any conflict or inconsistency among the above they shall prevail over each other in the reserve of the order set out above;

Agreement Details: the information contained in the document entitled "Agreement Details";

Authorised Users: those employees and independent contractors of the Customer who are authorised by the Customer to use the Services;

Beta Test Data: data that has been specifically constructed for use during testing to test the ability of the Software to respond to unusual, extreme, exceptional or unexpected input;

Business Hours: 08:30 to 16:30 on a Working Day

Charges: the monies payable by the Customer to Elecosoft in consideration of the provision by Elecosoft of the Services, as set out in, or determined in accordance with the provisions of, the Agreement Details;

Commencement Date: the date specified as such in the Agreement Details;

Confidential Information: all technical or commercial know-how, specifications, inventions, processes or initiatives of either Party and any other information concerning that Party or its business, customers, products or services which the other Party may obtain directly or indirectly, or which may come to the

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other Party's attention, from time to time, as a result of the parties having entered into this Agreement, subject to Clause 11.1;

Customer Data: the data inputted into the information fields of the Software by the Customer, by Authorised Users

Data Protection Legislation: all applicable data protection and privacy legislation in force from time to time in the UK including without limitation the Data Protection Act 2018 (DPA); UK GDPR (which expression has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the DPA, the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended and all other legislation and regulatory requirements in force from time to time which apply to a Party relating to the use of personal data (including, without limitation, the privacy of electronic communications);

Hosting Services: the services provided by Elecosoft which enable Authorised Users to access and use the Software, as more particularly described in the Service Description;

Initial Term: the period of twelve (12) months beginning on the Commencement Date;

Intellectual Property Rights: patents, utility models, rights to inventions, copyright and related rights, trade marks 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;

Live Data: actual real world data, data that is relevant, of value, sensitive and essential to normal everyday business function of the Customer and which excludes Beta Test Data and evaluation data;

Party: either or both, as the context permits, of Elecosoft and the Customer;

Personal Data: as defined in the Data Protection Legislation;

Service Description: the description of the Software and the Hosting Services more particularly set out in SCHEDULE 1;

Services: the subscription services provided by Elecosoft to the Customer under this Agreement via any URL or any other website notified to the Customer by Elecosoft from time to time, as more particularly described in Schedule 1;

Site: the premises from which the Customer carries out its business as stated above or as notified to Elecosoft in writing from time to time;

Software: the online software applications provided by Elecosoft as part of the Services, as listed in the Agreement Details;

Software Specification: such information regarding the functionality and performance of the Software, as may be provided by Elecosoft to the Customer from time to time including the information regarding the Software contained within the Service Description;

Support Services: any error corrections, updates and upgrades that the Elecosoft may provide or perform with respect to the Software and Hosting Services, as well as any other support or training services provided to the Customer under this Agreement, all as described in SCHEDULE ;

Term: the duration of this Agreement, as determined in accordance with Clause 15.

URL: Uniform Resource Locator: a reference to a web resource notified to the Customer by Elecosoft from time to time.

Virus: anything or device (including any software, code, file or programme) which may: prevent, impair or otherwise adversely affect the operation of any computer software, hardware or network, any telecommunications service, equipment or network or any other service or device; prevent, impair or otherwise adversely affect access to or the operation of any programme or data, including the reliability of any programme or data (whether by re-arranging, altering or erasing the programme or data in whole or part or otherwise); or adversely affect the user experience, including worms, trojan horses, viruses and other similar things or devices;

Vulnerability: a weakness in the computational logic (for example, code) found in software and hardware components that, when exploited, results in a negative impact to confidentiality, integrity, or availability; and

Working Day: Monday to Friday inclusive, with the exception of bank and public holidays in England and Wales.

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- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.
- 1.3 Unless the context otherwise requires:
 - 1.3.1 words in the singular shall include the plural and in the plural shall include the singular;
 - 1.3.2 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
 - 1.3.3 a reference to one gender shall include a reference to the other genders; and
 - 1.3.4 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.
- 1.4 In the case of conflict or ambiguity between any provision contained in the body of this Agreement and any provision contained in the Schedules or appendices, the Schedules shall take precedence.
- 1.5 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.
- 1.6 References to Clauses and Schedules are to the Clauses and Schedules of this Agreement and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.7 The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules and Annexes.

2 PROVISION OF THE SERVICES

- 2.1 Elecosoft shall, with effect from the Commencement Date, provide the Services to the Customer on a non-exclusive basis for the Term, subject to and in accordance with the provisions of this Agreement.
- 2.2 The right to use the Service is granted to the Customer only, and in particular is not to be regarded as having been granted to any Affiliates of the Customer
- 2.3 Elecosoft shall use reasonable endeavours to make the Services available to the Customer at all times, subject to the other provisions of this Agreement.
- 2.4 Elecosoft, acting reasonably and in good faith, reserves the right from time to time to make changes to the Services, provided that such changes do not give rise to any material change to the functionality, operation or performance of the Services.
- 2.5 In relation to Authorised Users:
 - 2.5.1 the Customer shall ensure that the Authorised Users use the Services in accordance with the provisions of this Agreement and shall be responsible for any Authorised User's breach of this Agreement;
 - 2.5.2 the Customer's access to the Services shall be limited to the number of individual Authorised Users specified in the Agreement Details, as such number may be varied from time to time by written agreement between the Parties and the agreement of Elecosoft to any increase in the number of individual Authorised Users is conditional upon such increase in the Charges as Elecosoft shall reasonably consider necessary to reflect the increase in the number of Authorised Users; and
 - 2.5.3 the Customer shall ensure that each Authorised User keeps a secure password for their use of the Software and keeps that password confidential.

3 DELIVERY AND ACCEPTANCE OF THE SOFTWARE

- 3.1 Elecosoft shall be deemed to have delivered the Software once the Customer is able to access the Software online.
- 3.2 The Customer shall, within five (5) Working Days following the date of delivery of the Software (**Acceptance Period**), satisfy itself that the Software functions and performs in accordance, in all material respects, with the Software Specification. If the Software fails in any material respect so to conform, the Customer shall notify Elecosoft in writing, giving a detailed description of any such non-conformance (**Error**), in writing, before the end of the Acceptance Period. If the Customer gives no notification to Elecosoft before the end of the Acceptance Period (as to which time shall be of the essence) it shall be deemed to have accepted the Software.

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- 3.3 Elecosoft shall use reasonable endeavours to correct any Error notified to it by the Customer in accordance with Clause 3.2 within a reasonable time. Elecosoft shall notify the Customer in writing accordingly once the Error has been corrected, whereupon the procedure set out in Clause 3.2 shall be repeated, for which purpose the Acceptance Period shall begin upon the giving by Elecosoft of such notification to the Customer. The procedure set out in this Clause 3.3 may be repeated until such time as Elecosoft has corrected the Error provided that, if Elecosoft has been unable to correct the Error after the procedure has been repeated three times, either Party may terminate this Agreement with immediate effect, without liability to the other Party, by giving notice to the other Party.

4 PROVISION OF HOSTING AND SUPPORT SERVICES

- 4.1 Elecosoft shall provide the Hosting Services and Support Services.
- 4.2 Elecosoft hereby grants to the Customer a non-exclusive, non-transferable licence to allow Authorised Users to access the Software through the Hosting Services for the normal business purposes of the Customer from time to time, subject to and in accordance with the terms of this Agreement.

5 GENERAL OBLIGATIONS OF ELECOSOFT

- 5.1 Elecosoft shall:
- 5.1.1 provide the Services with reasonable care and skill; and
 - 5.1.2 use reasonable endeavours to ensure that the functionality and performance of the Software will conform, in all material respects, to the Software Specification.
- 5.2 Elecosoft shall, at its own expense, use reasonable endeavours to rectify any failure on its part to comply with its obligations under Clause 5.1 as soon as reasonably practicable, except to the extent that such failure arises as the result of:
- 5.2.1 any use of the Software other than in accordance with Elecosoft's instructions or recommendations; or
 - 5.2.2 any modification or alteration of the Software by any person or organisation other than Elecosoft or its duly authorised contractors, agents or representatives.
- The use of such endeavours by Elecosoft constitutes the Customer's sole and exclusive remedy for any failure by Elecosoft to comply with its obligations under Clause 5.1.

6 GENERAL OBLIGATIONS OF THE CUSTOMER

- 6.1 The Customer shall:
- 6.1.1 provide Elecosoft in a timely fashion with:
 - 6.1.1.1 such reasonable co-operation in relation to this Agreement and the provision of the Services as Elecosoft might request from time to time;
 - 6.1.1.2 all reasonable access to such information including Customer Data, security access information and configuration services as may reasonably be required by Elecosoft from time to time for the purpose of performing its obligations under this Agreement; and
 - 6.1.1.3 such other information as the Elecosoft may reasonably require from time to time in order for the purpose of performing its obligations under the Contract.
 - 6.1.2 comply at all times with all applicable law with respect to its activities under this Agreement;
 - 6.1.3 observe and perform all its other responsibilities under this Agreement in a timely fashion, and in the event of any delays in the compliance by the Customer with its obligations under this Clause 6.1.3, Elecosoft shall be entitled to extend the time for the performance of any of its obligations or functions thereby affected by a period commensurate with the delay or such longer period as Elecosoft, acting reasonably, considers appropriate in all the circumstances;
 - 6.1.4 obtain and maintain all necessary licences, consents and permissions necessary for Elecosoft, its contractors and agents to perform their obligations under this Agreement, including the provision of the Services;
 - 6.1.5 ensure that its network and systems comply with such specifications and other requirements as Elecosoft, acting reasonably, may notify to the Customer from time to time; and
 - 6.1.6 be solely responsible for procuring and maintaining its network connections and telecommunications links from its systems to Elecosoft's infrastructure, and for the resolution of

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all problems, conditions, delays, delivery failures and all other loss or damage arising from or relating to the Customer's network connections or telecommunications links or caused by the internet.

- 6.2 The Customer shall not, through its use of the Services store, distribute, introduce or transmit or fail without good cause to prevent access, storage, distribution or transmission of:
- 6.2.1 any Virus;
 - 6.2.2 any Vulnerability; or
 - 6.2.3 any material that is unlawful, harmful, threatening, defamatory, obscene, infringing, harassing or racially or ethnically offensive; facilitates illegal activity; depicts sexually explicit images; or promotes unlawful violence, discrimination based on race, gender, colour, religious belief, sexual orientation, disability, or any other illegal activities.
- 6.3 The Customer shall not:
- 6.3.1 attempt to copy, duplicate, modify, create derivative works from or distribute all or any portion of the Software except to the extent expressly set out in this Agreement or as may be allowed by any applicable law which is incapable of exclusion by agreement between the parties;
 - 6.3.2 attempt to reverse compile, disassemble, reverse engineer, modify, vary, rent, lease, sub-licence, translate, merge, adapt or make error corrections to the Software or otherwise reduce to human-perceivable form all or any part of the Software, except to the extent that any reduction of the Software to human-perceivable form is necessary for the purposes of integrating the operation of the Software with the operation of other software or systems used by the Customer or is otherwise allowed by any applicable law, unless Elecosoft is prepared to carry out such action at a reasonable commercial fee or has provided the information necessary to achieve such integration within a reasonable period, and the Customer shall request Elecosoft to carry out such action or to provide such information (and shall meet Elecosoft's reasonable costs in providing that information) before undertaking any such reduction.
 - 6.3.3 use any such information provided by Elecosoft or obtained by the Customer during any such reduction permitted under Clause 6.3.2 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;
 - 6.3.4 attempt to obtain, or assist third parties in obtaining, access to the Software, other than as provided under this Clause 6.3;
 - 6.3.5 use the Software in connection with life critical areas such as nuclear facilities, air traffic control or communication systems or any other purpose (whether of the kinds previously listed or otherwise) where the total or partial failure of the Software could lead directly to death, personal injury or physical environmental damage. A failure to comply with this Clause 6.3.5 will be a material breach of this Agreement not capable of remedy and no refund of any prepayment of Charges will be made; or
 - 6.3.6 use the Software for the purposes of evaluation, on Live Data or in a live implementation. The Customer acknowledges it carries on such use of the Software entirely at its own risk.
- 6.4 The Customer shall use reasonable endeavours to prevent any unauthorised access to, or use of, the Software and notify Elecosoft promptly of any such actual or suspected unauthorised access or use.

7 CUSTOMER AND PERSONAL DATA

- 7.1 The Customer shall own all rights, title and interest in and to all of the Customer Data that is not Personal Data and shall have sole responsibility for the legality, reliability, integrity, accuracy and quality of such Customer Data.
- 7.2 Elecosoft shall follow its back-up procedures for Customer Data as described in Section 5 of SCHEDULE 1. In the event of any loss or damage to Customer Data, the Customer's sole and exclusive remedy against Elecosoft shall be the use by Elecosoft of its reasonable endeavours to restore the lost or damaged Customer Data from the latest back-up of such Customer Data maintained by Elecosoft in accordance with the back-up procedure described in Section 5 of Schedule 1. Elecosoft shall not be responsible for any loss, destruction, alteration or disclosure of Customer Data caused by any third party (except those third parties sub-contracted by Elecosoft to perform services related to Customer Data maintenance and back-up, for which Elecosoft shall remain fully liable under Clause 7.6).

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- 7.3 Both Parties will comply with all applicable requirements of the Data Protection Legislation. This Clause 7 is in addition to, and does not relieve, remove or replace, a Party's obligations or rights under the Data Protection Legislation.
- 7.4 The Parties acknowledge that for the purposes of the Data Protection Legislation, the Customer is the controller and Elecosoft is the processor. SCHEDULE sets out the scope, nature and purpose of processing by Elecosoft, the duration of the processing and the types of Personal Data and categories of data subject.
- 7.5 Without limiting the generality of its obligations under Clause 7.3, the Customer will ensure that it has all necessary appropriate consents and notices in place to enable lawful transfer of the Personal Data to Elecosoft for the duration and for the purposes specified in this Agreement.
- 7.6 Without limiting the generality of its obligations under Clause 7.3, Elecosoft shall, in relation to any Personal Data processed by it in connection with the performance of its obligations under this Agreement:
- 7.6.1 process that Personal Data only on the documented written instructions of the Customer except to the extent that Elecosoft is required by Data Protection Legislation or any other applicable law (**Applicable Data Protection Law**) to process such Personal Data. Where Elecosoft is relying on the requirements of Applicable Data Protection Law as the basis for processing Personal Data, Elecosoft shall promptly notify the Customer of this before performing the processing required by Applicable Data Protection Law unless Applicable Data Protection Law prohibits Elecosoft from so notifying the Customer;
 - 7.6.2 ensure that all personnel who have access to or process Personal Data are under binding obligations of confidentiality with Elecosoft to keep the Personal Data confidential and to maintain the levels of security and protection as required under this Agreement;
 - 7.6.3 ensure that it has in place appropriate technical and organisational measures, reviewed and approved by the Customer, to protect against unauthorised or unlawful processing of Personal Data and against accidental loss or destruction of, or damage to, Personal Data, appropriate to the harm that might result from the unauthorised or unlawful processing or accidental loss, destruction or damage and the nature of the data to be protected, having regard to the state of technological development and the cost of implementing any measures (those measures may include, where appropriate, pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of its systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the technical and organisational measures adopted by it);
 - 7.6.4 not transfer any Personal Data outside the United Kingdom unless the prior written consent of the Customer has been obtained and the following conditions are fulfilled:
 - 7.6.4.1 the Customer or Elecosoft has provided appropriate safeguards in relation to the transfer;
 - 7.6.4.2 the data subject has enforceable rights and effective legal remedies;
 - 7.6.4.3 Elecosoft complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred; and
 - 7.6.4.4 Elecosoft complies with reasonable instructions notified to it in advance by the Customer with respect to the processing of the Personal Data.
 - 7.6.5 assist the Customer, at the Customer's cost, in responding to any request from a data subject and in ensuring compliance with its obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators;
 - 7.6.6 notify the Customer without undue delay on becoming aware of a Personal Data breach;
 - 7.6.7 at the written direction of the Customer, delete or return Personal Data and copies thereof to the Customer on termination of the agreement unless required by Applicable Law to store the Personal Data; and
 - 7.6.8 maintain complete and accurate records to demonstrate its compliance with this Clause 7 and allow for audits by the Customer or the Customer's designated auditor at reasonable times upon reasonable prior notice having been given and immediately inform the Customer if, in the opinion of Elecosoft, an instruction infringes the Data Protection Legislation.

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7.7 The Customer consents to Elecosoft appointing such of its service providers as it reasonably considers necessary from time to time as third-party processors of Personal Data under this Agreement for the same purposes as are set out in Schedule 3. Elecosoft confirms that it has entered or (as the case may be) will enter with each such third-party processor into a written agreement which will fulfil and continue to fulfil the relevant requirements of the Data Protection Legislation. In addition, Elecosoft shall notify the Customer of the identity of each such third-party processor prior to its being appointed. As between the Customer and Elecosoft, Elecosoft shall remain fully liable for all acts or omissions of any third-party processor appointed by it pursuant to this Clause 7.

8 CHARGES AND PAYMENT

8.1 The Customer shall pay the Charges to Elecosoft for the Services in accordance with the Agreement Details.

8.2 Each payment of the Charges shall become due on the date specified in, or determined in accordance with, the Agreement Details (in each case the **due date**).

8.3 Elecosoft shall issue a separate invoice to the Customer for each payment of the Charges and the Customer shall make each such payment in full, without deduction or set off, on or before the due date or, if later, within thirty (30) days of the date of the relevant invoice.

8.4 If Elecosoft has not received any individual payment of the Charges in full within five (5) Working Days following the due date, and without limiting any other rights and remedies of Elecosoft:

8.4.1 Elecosoft may, without liability to the Customer, disable the Customer's access to all or part of the Services and in such event Elecosoft shall be under no obligation to provide any or all of the Services until the payment in question has been received; and

8.4.2 interest shall accrue on a daily basis on all unpaid sums at the rate specified in the Late Payment of Commercial Debts (Interest) Act 1998 commencing on the due date and continuing until fully paid, whether before or after judgment.

However, Clauses 8.4.1 and 8.4.2 shall not apply in relation to any part of the Charges which is the subject of a bona fide dispute between the Parties. If, pursuant to the resolution or determination of any such dispute, any payment is agreed or determined to be due to Elecosoft the provisions of this Clause 8.4 shall apply in full to that payment, for which purpose the due date shall be the seventh (7th) day following the date of such agreement or determination.

8.5 All Charges stated or referred to in this Agreement:

8.5.1 shall be payable in pounds sterling by electronic transfer into such bank account as Elecosoft shall specify from time to time;

8.5.2 are non-cancellable and non-refundable; and

8.5.3 are exclusive of value added tax, which Elecosoft shall include in its invoices at the rate from time to time in force.

8.6 Elecosoft shall be entitled to increase the Charges, with effect from each successive anniversary of the Commencement Date (**review date**), by a percentage not less than the percentage increase in the Retail Price All Items Index (RPI) since the previous such review or, in the case of the first such review, since the Commencement Date. Elecosoft shall give to the Customer not less than ninety (90) days' prior notice of any such increase (**review notice**). If in any year the increase proposed by Elecosoft is greater than the percentage increase in the RPI the Customer, if it does not accept the proposed increase, may terminate this Agreement with effect from the forthcoming review date by giving notice of termination to Elecosoft not less than thirty (30) days after the date of the review notice, as to which time shall be of the essence, and the Customer, if it does not give notice of termination within such period, shall be deemed to have accepted the proposed increase.

9 CHANGE CONTROL

9.1 If either Party wishes to change the nature, extent or scope of the Services (**Change**), it shall submit details of the requested change to the other Party in writing. Provided that the provisions of this Clause 9 shall not apply to any change to the Services made or proposed to be made by Elecosoft pursuant to Clause 2.4.

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- 9.2 If either Party requests a Change Elecosoft shall, within a reasonable time of such request being made, provide written notification to the Customer of:
- 9.2.1 (where the Change has been requested by the Customer) whether the making of the Change is, in the reasonable opinion of Elecosoft, commercially viable;
 - 9.2.2 the likely time required to implement the Change;
 - 9.2.3 any variations to the Charges arising as a result of the Change;
 - 9.2.4 the likely effect of the Change on the functioning and performance of the Services; and
 - 9.2.5 any other variations to the terms of this Agreement which Elecosoft, acting reasonably, considers will be necessary as a consequence of the implementation of the Change.
- 9.3 If Elecosoft requests a change to the scope of the Services, the Customer shall not unreasonably withhold or delay consent to it.
- 9.4 If the Customer, following the receipt by it of the notification from Elecosoft in accordance with Clause 9.2, wishes Elecosoft to proceed with the Change then, unless Elecosoft has notified the Customer pursuant to Clause 9.2.1 that the making of the Change is not commercially viable, it shall request Elecosoft to do so in writing. Upon the receipt by Elecosoft of such request the Parties shall, in good faith and a timely fashion, enter into and conduct negotiations for the purpose of reaching agreement as to the variations to the Charges and any other relevant terms of the Contract necessary to take account of the Change. Elecosoft is under no obligation implement the Change unless and until the Parties have agreed such variations in writing.

10 INTELLECTUAL PROPERTY

- 10.1 The Customer acknowledges and agrees that as between itself and Elecosoft all Intellectual Property Rights in the Services are vested in Elecosoft in their entirety. Except as expressly provided herein, this Agreement does not grant the Customer any rights to, under or in, any Intellectual Property Rights or any other rights or licences of any kind in respect of the Services.
- 10.2 Elecosoft warrants that it holds all such rights in relation to the Services are necessary to grant all the rights it purports to grant under, and in accordance with, this Agreement.

11 CONFIDENTIALITY AND PUBLICITY

- 11.1 Each Party (**Receiving Party**) may be given or acquire access to Confidential Information from the other Party (**Disclosing Party**) in order to perform its functions and obligations or exercise its rights, under or in relation to this Agreement. For the purposes of this Clause 11 "Confidential Information" shall not include information that:
- 11.1.1 is or becomes publicly known other than through any act or omission of the Receiving Party;
 - 11.1.2 was directly in the Receiving Party's possession and at its free disposal before the disclosure;
 - 11.1.3 was lawfully disclosed to the Receiving Party by a third party lawfully entitled to disclose the same, without any obligation of confidentiality being imposed on the Receiving Party in respect thereof;
- or
- 11.1.4 is independently developed by the Receiving Party.
- 11.2 Subject to Clause 11.4 each Party shall hold the other's Confidential Information in confidence and not make the other's Confidential Information available to any third party, or use the other's Confidential Information for any purpose other than the exercise of its rights, and the performance of its functions and obligations, under this Agreement.
- 11.3 The Receiving Party shall, the provisions of Clause 11.2 notwithstanding, be entitled to disclose Confidential Information of the Disclosing Party to such of its employees, officers, agents, contractors or professional advisers who have a genuine need to know the same in order to be able to carry out their duties in relation to this Agreement (in each case, permitted individual). The Receiving Party shall make each permitted individual aware of the obligations of confidentiality and non-use contained in this Clause 11, and use reasonable endeavours to ensure that each permitted individual observes and performs these obligations including, where the permitted individual is an agent, contractor or professional adviser of the Receiving Party, procuring that the permitted individual enters into a written confidentiality undertaking with Elecosoft in terms at least equivalent to those contained in this Clause 11.

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- 11.4 The Receiving Party may disclose Confidential Information of the Disclosing Party to the extent that such Confidential Information is required to be disclosed by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction, provided that, to the extent it is legally permitted to do so, it gives the Disclosing Party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this Clause 11.4 it takes into account the reasonable requests of the Disclosing Party in relation to the content of such disclosure.
- 11.5 The Customer acknowledges that details of the Services, and the results of any performance tests of the Services, constitute Confidential Information of Elecosoft.
- 11.6 Elecosoft acknowledges that the Customer Data constitutes Confidential Information of the Customer.
- 11.7 Neither Party shall make, or permit any person to make, any public announcement concerning this Agreement without the prior written consent of the other Party (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.

12 EXPORT

- 12.1 Neither Party shall export, directly or indirectly, any technical data acquired from the other Party under this Agreement (or any products, including software, incorporating any such data) in breach of any applicable laws or regulations (**Export Control Laws**) to any country for which the government or any agency thereof at the time of export requires an export licence or other governmental approval without first obtaining such licence or approval.
- 12.2 Each Party undertakes:
 - 12.2.1 contractually to oblige any third party to whom it discloses or transfers any such data or products to make an undertaking to it in similar terms to the one set out above; and
 - 12.2.2 if requested, to provide the other Party, at the reasonable cost of the other Party, with such assistance as it may require to enable it to perform any activity required by any competent government or agency in any relevant jurisdiction for the purpose of compliance with any Export Control Laws.

13 INDEMNITY

- 13.1 Subject to Clause 13.3, the Customer shall fully indemnify Elecosoft and keep Elecosoft fully indemnified from and against any and all actions, claims, demands, costs (including without limitation court costs and reasonable legal fees), expenses, losses, damages or liability suffered or incurred by Elecosoft and arising out of or in connection with the Customer's use of the Services.
- 13.2 Subject to Clause 13.3, Elecosoft shall fully indemnify the Customer and keep the Customer fully indemnified from and against any and all actions, claims, demands, costs (including reasonable legal costs), expenses, losses, damages or liability to the extent that the same arises or occurs as the result of any claim or allegation from any third party against the Customer that the use by the Customer of the Services infringes any copyright, trade mark or right of confidentiality of that third party.
- 13.3 The entitlement of either Party (**Indemnified Party**) to an indemnity from the other Party (**Indemnifying Party**) pursuant to Clauses 13.1 or 13.2 shall be conditional upon the following conditions being met:
 - 13.3.1 the Indemnified Party shall notify the indemnity of the relevant claim or allegation (**Claim**) as soon as reasonably practicable and in any event no later than the second Working Day following the day on which the Indemnified Party first becomes aware of the Claim;
 - 13.3.2 the Indemnified Party shall allow the Indemnifying Party to have full control of the defence or settlement of the Claim, and shall make no attempt directly or indirectly to settle the Claim; nor enter into any discussions or negotiations with any third party having as their object or intended effect the defence or settlement of the Claim, provided that the Indemnifying Party shall not settle the Claim on any terms which require the payment of money, or the incurring of any obligation or liability, by the Indemnified Party without the express prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld or delayed); and
 - 13.3.3 the Indemnified Party shall provide to the Indemnifying Party in a timely fashion such assistance, co-operation and information as the Indemnifying Party might reasonably require from time to time in connection with the defence or settlement of the Claim.

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- 13.4 In the defence or settlement of the Claim Elecosoft may procure the right for the Customer to continue using the Services, or replace or modify the Services so that they become non-infringing or, if such remedies are not reasonably available, terminate this Agreement by giving not less than two (2) Working Days' notice to the Customer without any additional liability or obligation to pay liquidated damages or any other form of redress to the Customer.
- 13.5 In no circumstances shall Elecosoft, its employees, agents or sub-contractors be liable to the Customer under Clause 13.2 to the extent that the alleged infringement arises as the result of:
- 13.5.1 the improper or unauthorised use or operation of the Services;
 - 13.5.2 the use or attempted use of the Services by any individual who is not an Authorised User;
 - 13.5.3 the previous failure of the Customer to implement or adopt recommendations or solutions for the correction of faults or defects in the Services previously recommended by Elecosoft;
 - 13.5.4 any breach by the Customer of this Agreement, or any act or omission on the part of any of the Customer's employees, officers, agents, contractors or representatives, which act or omission would, if committed by the Customer, constitute a breach of this Agreement;
 - 13.5.5 the use or attempted use of the Services for any purpose for which they were not intended; or
 - 13.5.6 the use by the Customer, its employees, officers, agents, contractors or representatives of the Services after the receipt by the Customer of a Claim.

14 LIMITATION OF LIABILITY

- 14.1 Except as expressly and specifically provided in this Agreement:
- 14.1.1 Elecosoft shall have no liability for any damage suffered or incurred by the Client arising from any failure in the Services to the extent that such defect in or failure of the Services arises as a result of any errors or omissions in any information, instructions or scripts provided to it by the Customer in connection with the Services, or any actions taken by Elecosoft at the Customer's discretion;
 - 14.1.2 all warranties, representation, conditions and all other terms of any kind whatsoever implied by statute or common law are, to the fullest extent permitted by applicable law, excluded from this Agreement; and
 - 14.1.3 the Services are provided to the Customer on an "as is" basis.
- 14.2 Nothing in this Agreement excludes or limits the liability of Elecosoft for:
- 14.2.1 death or personal injury caused by Elecosoft's negligence;
 - 14.2.2 fraud or fraudulent misrepresentation;
 - 14.2.3 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
 - 14.2.4 any other matter liability for which cannot be limited or excluded as a matter of law.
- 14.3 Subject to Clauses 14.1 and 14.2:
- 14.3.1 Elecosoft shall not be liable, whether in tort, contract, misrepresentation, restitution, under any indemnity or otherwise for any loss of profits, loss of revenue, loss of business or of business opportunity, depletion or goodwill or similar losses or loss or corruption of data or information, or pure economic loss, or for any special, indirect or consequential loss, costs, damages, charges or expenses however arising under this Agreement and regardless of whether Elecosoft had prior notification of the possibility of such losses arising; and
 - 14.3.2 the total aggregate liability of Elecosoft in contract, tort, misrepresentation, restitution, under any indemnity or otherwise arising in connection with the performance or contemplated performance of this Agreement shall be limited to the total Charges paid by the Customer for the Services during the 12 months immediately preceding the date on which the event, matter or circumstance giving rise to the liability arose or occurred.
- 14.4 Elecosoft does not warrant:
- 14.4.1 that the Software or the Services will be free from Vulnerabilities or that the Customer's use of the Software and the Services will be uninterrupted or error-free or that the Services;
 - 14.4.2 that the Software or the information obtained by the Customer through the use of the Services will meet the Customer's requirements, or fulfil any specific commercial or operational objective of the Customer, even if Elecosoft had actual prior notification of such objective, and the Customer

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acknowledges that neither the Software or the Services have been developed to meet the specific requirements of the Customer.

- 14.5 All references to "Elecosoft" in this Clause 14 shall, for the purposes of this Clause 14 and Clause 23 only, be treated as including all employees, subcontractors and suppliers of Elecosoft 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 18.

15 TERM AND TERMINATION

- 15.1 This Agreement shall come into effect on the Commencement Date. After it has come into effect, this Agreement may be terminated either:-
- 15.1.1 in accordance with Clauses 8.6, 13.4, 15.2, 16.3 or 20.5; or
 - 15.1.2 by either Party giving to the other not less than one hundred and eighty (180) days' notice of termination expiring on the final day of the Initial Term or on any subsequent anniversary of that date.
- 15.2 Without affecting any other right or remedy available to it, either Party may terminate this Agreement with immediate effect by giving notice to the other Party if:
- 15.2.1 the other Party fails to pay any amount due under this Agreement on the due date for payment and remains in default not less than ten (10) Working Days after receipt of notice from the terminating Party requesting such payment;
 - 15.2.2 the other Party commits a material breach of any other term of this Agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of five (5) Working Days after receipt of a notice from the terminating Party identifying the breach in question and requiring it to be remedied;
 - 15.2.3 the other Party repeatedly or persistently breaches any of the terms of this Agreement in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to perform its obligations under this Agreement;
 - 15.2.4 the other Party 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;
 - 15.2.5 the other Party 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 other than for the sole purpose of a scheme for a solvent amalgamation of that other Party with one or more other companies or the solvent reconstruction of that other Party;
 - 15.2.6 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 that other Party other than for the sole purpose of a scheme for a solvent amalgamation of that other Party with one or more other companies or the solvent reconstruction of that other Party;
 - 15.2.7 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 other Party;
 - 15.2.8 the holder of a qualifying floating charge over the assets of that other Party has become entitled to appoint or has appointed an administrative receiver;
 - 15.2.9 a person becomes entitled to appoint a receiver over the assets of the other Party or a receiver is appointed over the assets of the other Party;
 - 15.2.10 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 other Party's assets and such attachment or process is not discharged within fourteen (14) days;
 - 15.2.11 any event occurs, or proceedings are 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 15.2.4 to Clause 15.2.10 inclusive; or

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- 15.2.12 the other Party suspends or ceases, or in the reasonable opinion of the terminating Party is likely to suspend or cease, carrying on all or a substantial part of its business.
- 15.3 On termination of this Agreement for any reason:
- 15.3.1 all rights granted to the Customer under this Agreement shall immediately terminate and the Customer shall immediately cease all use of the Services;
- 15.3.2 the Customer shall immediately pay all outstanding sums due to Elecosoft under this Agreement;
- 15.3.3 each Party shall return and make no further use of any equipment, property, documentation and other items (and all copies of them) belonging to the other Party;
- 15.3.4 Elecosoft may destroy or otherwise dispose of any of the Customer Data in its possession unless it receives, no later than ten (10) Working Days after the effective date of the termination of this Agreement (that being the day on which a notice of termination served in compliance with this Agreement expires), a written request for the delivery to the Customer of the then most recent back-up of the Customer Data. Upon receipt of such request Elecosoft shall use reasonable endeavours to deliver the back-up to the Customer within thirty (30) days, provided that the Customer has, at that time, paid all fees and charges outstanding at and resulting from termination (whether or not due at the date of termination). The Customer shall pay all reasonable expenses incurred by Elecosoft in returning or disposing of Customer Data; and
- 15.3.5 any and all rights, remedies, obligations or 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 Agreement which existed at or before the date of termination shall not be affected or prejudiced.
- 15.4 Any provision of this Agreement that expressly or by implication is intended to come into or continue in force on or after termination of this Agreement shall remain in full force and effect.

16 FORCE MAJEURE

- 16.1 Neither Party (in each case affected Party) shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, matters or circumstances beyond its reasonable control.
- 16.2 In such circumstances the time for performance of any such obligation shall be extended by such period as shall be reasonable in all the circumstances and in any event at least equivalent to the aggregate period for which performance of the obligation has been delayed or failed to be performed.
- 16.3 If the period of delay or non-performance continues for a period of ninety (90) consecutive days the other Party shall be entitled to terminate this Agreement with immediate effect by giving written notice to the affected Party.
- 16.4 The provisions of this Clause 16 shall not apply in the case of any failure or delay in the performance of any obligation to pay money.

17 WAIVER

No failure or delay by a Party to exercise any right or remedy provided under this Agreement 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 Agreement, the rights and remedies provided under this Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

19 SEVERANCE

- 19.1 If any provision or part-provision of this Agreement 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 this Agreement.

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- 19.2 If any provision or part-provision of this Agreement 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.

20 ENTIRE AGREEMENT AND VARIATIONS

- 20.1 This Agreement constitutes the entire agreement between the Parties regarding, and supersedes and extinguishes all previous agreements, promises, representations, statements, understandings and warranties between them, whether written or oral, relating to, its subject matter.
- 20.2 Each Party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any promise, representation, statement or warranty that is not incorporated into this Agreement by way of express provision.
- 20.3 Nothing in this Clause 20 shall limit or exclude the liability of either Party for fraud or for fraudulent misrepresentation.
- 20.4 Without limiting the generality of Clause 20.1, this Agreement applies to the provision of all Services by Elecosoft to the Customer and shall prevail over and apply to the exclusion of any terms or conditions contained or referred to at any time in any documentation tendered by the Customer, in correspondence or elsewhere or implied by trade custom practice or course of dealing unless specifically agreed in writing by an authorised representative of Elecosoft. Any purported provisions to the contrary at any time are hereby excluded.
- 20.5 Elecosoft reserves the right to vary this Agreement at any time to the fullest extent permissible by law and will notify the Client in writing in advance of any such changes. If the Client does not accept the proposed variation, it may terminate this agreement by giving Elecosoft not less than 30 days' written notice of termination. If the Client fails to give such notice within 30 days following the giving of notification by Elecosoft of the proposed change, it shall be deemed to have accepted the proposed variation.

21 ASSIGNMENT AND SUB-CONTRACTING

- 21.1 The Customer shall not, without the express prior written consent of Elecosoft, assign, transfer, charge, sub-contract or deal in any other manner with all or any of its rights or obligations under this Agreement.
- 21.2 Elecosoft may at any time assign, transfer, charge, sub-contract or deal in any other manner with all or any of its rights or obligations under this Agreement.

22 NO PARTNERSHIP OR AGENCY

- 22.1 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the Parties, constitute any Party the agent of another Party, or authorise any Party to make or enter into any commitments for or on behalf of any other Party.
- 22.2 Each Party confirms it is acting on its own behalf and not for the benefit of any other person.

23 THIRD PARTY RIGHTS

A person who is not a Party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

24 NOTICES

- 24.1 Subject to Clause 24.5, where the Contract expressly requires one party to give notice to the other, such notice shall be in writing and shall be sent by electronic mail to the individual address specified by the other Party (recipient) for receipt of notices from time to time (and any changes to such address must be notified by the recipient using the process set out in this Clause 24.1). It is the responsibility of the recipient to ensure that any notice given in accordance with this Clause 24.1 is communicated to the appropriate representatives of the recipient and any failure to do so shall be entirely at the risk of the recipient.
- 24.2 Subject to Clause 24.3 any notice served in accordance with Clause 24.1 shall be deemed to have been given at the following respective times:

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- 24.2.1 in the case of a notice delivered by post, on the third Working Day after the date of posting (as evidenced by the relevant postmark); and
- 24.2.2 in the case of a notice sent by electronic mail, at the date and time on which the notice is sent (as evidenced by the date and time at which it is received into the recipient's Inbox).
- 24.3 Where, pursuant to the provisions of Clause 24.1 a notice would be deemed to have been given on a day which is not a Working Day or where the actual time of receipt of a notice is later than 16:00 hours local time, that notice shall be deemed to have been given on the next following Working Day.
- 24.4 It shall be sufficient in proving service that the notice was correctly addressed to the recipient and, as the case may be, either delivered, committed to the post or sent.
- 24.5 For the avoidance of doubt, this Clause 24 only applies to notices which the Contract expressly requires be given by one party to the other. In particular this Clause 24 does not apply to items of general correspondence, routine communications or notifications or updates of any kind, (whether technical or otherwise).

25 GOVERNING LAW AND JURISDICTION

- 25.1 This Agreement 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.
- 25.2 The Parties irrevocably agree that the courts of England and Wales shall have jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

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SCHEDULE 1 SERVICE DESCRIPTION ShireSystem (Cloud Service)

This Service Description describes the ShireSystem Cloud Service provided by Elecosoft to the Customer.

1. Overview

ShireSystem is an CMMS/CAFM suite of cloud applications and mobile web apps for managing and maintaining assets, plant, spares, buildings and facilities.

ShireSystem comprises the core application as well as additional modules, which customers can purchase individually.

Additional interfaces are available for connection to external systems or devices via our API and data can be exported using the BI Connector.

Access to ShireSystem is achieved using an industry standard browser. To ensure best application performance and responsiveness, Elecosoft recommends a minimum download speed of 10 Mbps (Megabits per second) and upload speed of 5 Mbps.

1.1 Application

ShireSystem is a web-based application and has the following architectural details:

- To ensure high-performance and availability, the application runs on multiple Microsoft web servers connecting to back-end database servers;
- The application utilises load balancing between multiple application servers managed by market-leading load balancing hardware and software; and
- The service is accessed through a secure browser interface and/or iOS or Android mobile application.

1.2 Application Security and User Management

- Data Segregation: Customer data is segregated in separate logical databases that may reside on the same database server.
- User Authentication: Users can authenticate to ShireSystem by using either two-factor authentication or a username and password combination. Application password management enforces strong complexity rules, expiry and application lockout if required.
- Permissions: Additional application security is provided through role-based permissions. Using these role-based permissions, the ShireSystem application can be configured to allow or deny access to features and data in accordance with any business need.

1.3 Version and Release Management

Upgrades to ShireSystem are included in the Cloud Service. Upgrades will be applied automatically by Elecosoft during out-of-hours maintenance windows. Maintenance windows will be notified to customers by giving at least 30 days' prior notification wherever reasonably possible.

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1.4 Data Usage

ShireSystem Cloud Service is offered with a database size up to 3GB (gigabyte). When customer database size exceeds 3GB the Customer will be automatically charged, with effect from the next billing anniversary, the additional annual fee previously notified by Elecosoft to the Customer.

2. Setup

Elecosoft implements, each Customer instance and segregated database. The Customer is issued with a unique application URL via email to access the ShireSystem Cloud Service.

In the case of a BI Connector implementation, Elecosoft will work with the customer to ensure correct set-up by providing details of the correct network and storage requirements as well as any necessary professional services-based consultancy. Customer will be responsible for providing network connectivity with sufficient bandwidth.

In the case of an API implementation, Elecosoft will provide necessary documentation and unique key's to allow the customer to connect to, understand and use the API. Customer will be responsible for integration work, unless a consultancy agreement with Elecosoft is in place. Customer will be responsible for any required network connectivity.

3. Availability

Elecosoft seeks to maintain a 99.9% uptime during core UK office hours (08.30am – 16.30pm) Monday to Friday excluding UK public holidays.

4. Data Centres

All Elecosoft Cloud, hosted IT and data centre providers conform to ISO9001, ISO27001 and Cyber Essentials Plus. Services are provided from Datacentres in the UK unless agreed otherwise with the customer.

4.1 Physical Security

All data centres have highly restricted access and use the following security measures:

- Physical Access: All areas of each data centre are monitored using CCTV and all access points are controlled.
- Visitor Access: No public access to the data centres without prior knowledge and approval. Approved visitors are permitted at some datacentres and will be required to present a government issued picture ID upon entry. They are then escorted to the appropriate locations within the data centre by security personnel at all times.

4.2 Logical Security

Elecosoft data centre providers apply anti-virus, anti-malware, anti-phishing and anti-ransomware protection by enforcing real-time scanning, enhanced rootkit detection, PUA detection, core system protection, malicious website, identity protection and local firewall protection. This is further complemented by the following security methods, as a minimum:

- Monitoring: All transactions/changes/access is logged 24 x 7 by remote monitoring and management software and enterprise network intrusion protection. Windows audit logs are enabled and firewall logging is enabled for 30 days.

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- Virus Protection: All Elecosoft Cloud servers are protected by commercial advanced industry-standard anti-virus software.
- Ports: Only specific ports are opened for data traffic.
- Server Hardening: All servers are hardened in accordance with industry best practices. By running only the necessary services, Elecosoft reduces its exposure to operating-system-level security issues.
- Server Patching: Security patches are applied biweekly and reasonable endeavours are made to deploy all Zero-Day security exploit/vulnerability updates announced by Microsoft Security Bulletins on all Elecosoft Cloud Services.
- Application Security: During the software development and quality assurance stages, the application undergoes security review and testing.

5. Data Management

It is an essential part of the ShireSystem Cloud Service to backup Customer data, system configuration and the cloud infrastructure required to deliver the service.

5.1 Backup and Disaster Recovery

A fully managed off-site backup and data recovery capability is provided. Backups are replicated to a datacentre and are stored as warm standby virtual production servers ready to be brought into service (where required as part of a Disaster Recovery scenario).

5.2 Data Retention and Database Restore

Data backups occur daily and are retained for 3-months. In addition, a full backup of each Customer's ShireSystem database is made and held for two days to allow for immediate restoral upon request.

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SCHEDULE 2 SUPPORT SERVICES

1. TECHNICAL SUPPORT

- 1.1 In the event of any fault or defect arising or occurring with regard to the Software or the Services, the Customer must contact Elecosoft during Business Hours. Elecosoft will provide the Customer with details of the relevant telephone numbers and electronic mail addresses which the Customer must use in order to access the support service.
- 1.2 The Customer shall, when requesting support or whenever Elecosoft is in the course of providing support, provide to Elecosoft in a timely fashion such assistance, co-operation and information as Elecosoft may reasonably request from time to time in order to enable it to provide support and in particular to diagnose any reported fault or defect.
- 1.3 Elecosoft shall use reasonable endeavours to resolve all support issues, and in particular to rectify any fault or defect in the Software or the Services or provide an effective work around solution, whether permanent or temporary, as soon as reasonably practicable.
- 1.4 Elecosoft shall be under no obligation to provide support to the Customer to the extent that the fault or defect in question in the Software or the Services arises or occurs as the result of any of the following:
 - 1.4.1 the improper or unauthorised use or operation of the Software or the Services;
 - 1.4.2 the use or attempted use of the Software or the Services by any individual who is not an Authorised User;
 - 1.4.3 the previous failure of the Customer to implement or adopt recommendations or solutions for the correction of faults or defects in the Software or the Services previously recommended by Elecosoft;
 - 1.4.4 any breach by the Customer of this Agreement, or any act or omission on the part of any of the Customer's employees, officers, agents, contractors or representatives, which act or omission would, if committed by the Customer, constitute a breach of this Agreement;
 - 1.4.5 the use or attempted use of the Software or the Services for any purpose for which they were not intended; or
 - 1.4.6 the use by the Customer, its employees, officers, agents, contractors or representatives of the Software or the Services after the Customer has reported the fault or defect, unless otherwise agreed by Elecosoft in writing.

2. MAINTENANCE

- 2.1 For the purpose of this Paragraph 2, "maintenance" means all regularly scheduled error corrections, software updates and those upgrades limited to improvements to features described in the Software Specification and the expression "maintain" shall be read and understood accordingly. Support for additional features developed by the Supplier, as requested by the Customer, may be purchased separately at Elecosoft's then current rates.
- 2.2 Elecosoft shall maintain and update the Software and the Services. Should the Customer determine that the Software includes a defect, the Customer may at any time file error reports using the procedure specified in Paragraph 1.1 above. During maintenance periods, Elecosoft may, at its discretion, upgrade versions, install error corrections and apply patches to the hosted systems. Elecosoft shall use reasonable endeavours to avoid unscheduled downtime for Software maintenance.
- 2.3 Elecosoft shall maintain technical support on the two (2) most current releases of the Software.
- 2.4 Elecosoft shall only provide maintenance services outside Business Hours in the event of any fault or defect arising with regard to the Software or to the Services which is critical to the Customer's business. The Customer may obtain access to maintenance services outside Business Hours using the same methods of communication as are specified in Paragraph 1.2. In the event of any disagreement between Elecosoft and the Customer as to whether the fault or defect is business critical the decision of Elecosoft, acting reasonably shall be final, and in the event that Elecosoft determines that a particular fault or defect

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is not business critical it shall be under no obligation to provide maintenance services outside Business Hours.

3. TRAINING

- 3.1 The Charges and Support Charges exclude training. Elecosoft shall not be obliged to provide training to the Customer, but may do so, for an additional charge, at its discretion subject to agreement being reached between Elecosoft and the Customer as to the amount of the additional charge and all other relevant matters regarding the provision of the training.

SCHEDULE 3

Scope, Nature and Purpose of Processing of Personal Data

The individual maintenance tasks stored and processed by the Software may make reference to named individuals employed or engaged by the Customer and provide business contact details comprising e-mail address and telephone number. Such personal data will be processed by Elecosoft solely in its capacity as the provider of the Hosting Services, and will not actively be used or accessed by Elecosoft or any sub-processor.