Proposal: **PA Terms of Business for Cloud Services**

(Reference: PA ToBCS v2)

In these terms and conditions, whichever PA legal entity has submitted the Proposal is referred to as "PA" and the party to whom the Proposal is addressed is referred to as "the Client" (collectively "the Parties" or individually the "Party"), the services and deliverables are detailed in the Proposal. The offer outlined in the Proposal is open for acceptance by the Client for a period of 30 days after which the offer shall lapse, unless otherwise notified by PA.

PARTICULAR ATTENTION IS DRAWN TO THE LIMITATIONS AND EXCLUSIONS SET OUT IN SECTIONS 6 AND 8

1. The Agreement

1.1 The agreement made by the Parties comprises:

1.1.1 these terms and conditions,

1.1.2 the Client Authorisation Form,

1.1.3 the Schedule of Charges where one has been included in the Proposal, and

1.1.4 PA's Proposal as referred to in the Client Authorisation Form (the "Proposal"),

collectively the "Agreement" and shall be interpreted in the above order of priority in the event of any inconsistency or conflict.

1.2 The Agreement shall be deemed accepted by the Client upon the first of (i) the Client's signature of the Agreement, (ii) the Client's instruction to commence work, (iii) PA starting work at the Client's site or (iv) the Client's payment of any agreed fee.

1.3 Variations or additions to the Agreement can be made. However, both Parties must agree to the variation or addition in writing and only a Member of PA's Management Group is authorised to make such variations or additions on behalf of PA.

2. Provision of Services and Deliverables

2.1 PA warrants that it will perform the services described in the Proposal with reasonable skill and care and in a good and workmanlike manner. The standard by which the performance of the services will be measured is the professional standard expected of an experienced provider of consultancy services.

2.2 PA will use consultants with appropriate skills and experience for the provision of the services. PA may only replace those consultants with consultants of suitable experience and suitability.

2.3 PA agrees to deliver the services and deliverables within a reasonable time. Both parties will use all reasonable endeavours to meet any target date, project plan or time table referred to in the Agreement. Where the Proposal states that the services and deliverables will be delivered using an agile methodology, the Agile Delivery Terms in Schedule 1 shall apply.

2.4 Where the services include the provision of software over the internet and/or electronic hosting services for data, records and information disclosed or made available to PA, and as such to be hosted by PA ("Hosted Data") for access by the Client or third parties to whom PA, in the performance of the services, grants access and storage rights ("Client Users"), PA shall during the subscription term:

2.4.1 store and make available to Client Users such Hosted Data as the Client shall provide from time to time;

2.4.2 provide the software to the Client for use by Client Users;

2.4.2 provide all such passwords, usernames and other administrative information as are necessary for Client Users to access and/or store Hosted Data ("Access Information") for those Client Users that the Client has instructed PA should have such rights;

2.4.3 ensure that Hosted Data shall only be accessible to those Client Users who have had Access Information granted to them by PA provided always that PA shall incur no liability as a result of any unauthorised access to Hosted Data as a consequence of fraudulently used or lost Access Information; and

2.4.4 for the purposes of disaster recovery only (in accordance with its standard policies and procedures from time to time), back up the Hosted Data regularly. The Client hereby agrees that such Hosted Data back-ups shall not be for the purposes of restoring the Client's individual data files.

2.5 PA's proposal will set out the subscription term, the number of Client Users permitted to use the software, PA's service desk contact details, scheduled maintenance windows and other operational details.

2.6 PA hereby grants the Client a temporary right during the subscription term to store the Hosted Data on such of PA's (or PA's suppliers') servers located in the European Economic Area as PA may, at its sole discretion, decide. Nothing in the Agreement grants to the Client any proprietary interest in the hard drive space of PA's (or PA's supplier's) servers or in the servers themselves.

2.7 PA shall use reasonable commercial endeavours to make the Hosted Data and software available to Client Users during the subscription term, however, PA may suspend such services:

2.7.1 in order to carry out scheduled or emergency maintenance;

2.7.2 in order to substitute, change, reconfigure or relocate any software or hardware used in the provision of the services; or

2.7.3 if required to do so by law and/or by any governmental body and/or or regulatory authority.

2.8 PA hereby reserves the right to remove, amend or vary any of the software or content used in connection with the provision of the services at any time and at its absolute discretion without obligation to inform the Client provided that at no point during the duration of the Agreement should the services fail to comply with the terms of the Agreement.

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2.9 If the Client experiences any technical issues when using software or when accessing the Hosted Data it may report such issues to PA's service desk using. PA's service desk will categorise the defect and use commercially reasonable endeavours to resolve the defect. Such correction or substitution by PA constitutes the Client's sole and exclusive remedy for any breach of the undertaking set out in clause 2.7.

2.10 The Client agrees that:

2.10.1 software and services delivered over the internet may contain errors or defects and that the presence of errors or defects does not mean that the services provided to the Client have been performed negligently or in breach of contract;

2.10.2 PA does not warrant that the Client's use of software delivered over the internet or access to Hosted Data will be uninterrupted or error-free;

2.10.3 PA is not responsible for any delays, delivery failures, or any other loss or damage resulting from the transfer of Hosted Data over communications networks and facilities including the internet, and the Client acknowledges that its access to the software and Hosted Data may be subject to limitations, delays and other problems inherent in the use of such communications facilities;

2.10.4 Debugging, error correction or other remedial work in the ordinary course of software or product development or service migration will be at the Client's cost, subject always to A5 of Schedule 1, where applicable.

2.10 The Client acknowledges and agrees that where PA designs, builds, develops, delivers, customizes or integrates software or any other product or deliverable provide as part of the services, it does so as a consultant providing services and not as a supplier of goods.

2.11 If PA fails to deliver the services in accordance with this Agreement:

2.11.1 The Client shall notify PA in writing of any failure as soon as it knows of its existence and in any event within 30 days of the relevant part of the services having been performed;

2.11.2 The Client agrees to give PA a reasonable opportunity of carrying out the work again or remedying the failure after receipt of the notice referred to in 2.11.1;

2.11.3 PA agrees that it will carry out the necessary remedial work at its own cost as soon as it is reasonably practicable to do so provided that the notice of the failure is given within a reasonable time after the work in question was performed and in any event within 30 days of completion of the relevant part of the services.

2.12 The Proposal has been prepared by PA following discussions between PA and the Client relating to the Client's requirements and is made in good faith and on the basis of the information known to PA prior to submitting the Proposal. If any assumptions stated in the Proposal prove incorrect or if any of the dependencies stated in the Proposal or elsewhere in this Agreement are not achieved or fulfilled then PA shall have the right to amend the fees to take reasonable account of PA's increased costs incurred or time spent in completing the services because of such failure or incorrect assumptions.

3. Client's Obligations and Consents

3.1 PA will need access to the Client's facilities, information and resources for and during the provision of the services. The Client, without charge to PA, will provide access to these to the extent reasonably requested by PA and shall co-operate with PA to the extent reasonably required to achieve the objectives set out in the Agreement. The Client shall further make decisions and inform PA of the results of those decisions when PA reasonably requests it to do so for PA's performance of the services.

3.2 The Client will ensure that none of the Hosted Data infringes any applicable civil or criminal laws, regulations or third party rights or comprises any material which is in any way defamatory, offensive, threatening, obscene, indecent or otherwise unlawful or objectionable or in breach of any third party IP or other right or which is or might otherwise be actionable ("Prohibited Material"). Should the Hosted Data contain any Prohibited Material the Client acknowledges that PA may remove any and all such Hosted Data from its servers and/or suspend the services whichever PA (at its sole discretion) deems appropriate. The Client will notify PA where it reasonably suspects that any Hosted Data constitutes Prohibited Material, or where the Client is informed of any allegation that any Hosted Data may constitute Prohibited Material.

3.3 For the purposes of the Computer Misuse Act 1990 (or any statutory modification or re-enactment or foreign equivalent thereof) the Client consents to PA accessing and assessing its IT systems and networks (including without limitation any programs or data held on such systems and networks) to enable PA to provide the services.

3.4 The Client warrants to PA that it has obtained all necessary third party consents and licences to permit PA to perform the services.

3.5 The Client shall not:

3.5.1 access all or any part of the services in order to build a product or service which competes with the services; or

3.5.2 use the services to provide services to third parties;

3.5.3 except as may be allowed by any applicable law which is incapable of exclusion by agreement between the parties and except to the extent expressly permitted under this Agreement (i) attempt to copy, modify, duplicate, create derivative works from, frame, mirror, republish, download, display, transmit, or distribute all or any portion of the software and documentation (as applicable) in any form or media or by any means; or (ii) attempt to de-compile, reverse compile, disassemble, reverse engineer or otherwise reduce to human-perceivable form all or any part of the software; or

3.5.4 license, sell, rent, lease, transfer, assign, distribute, display, disclose, or otherwise commercially exploit, or otherwise make the available to any third party except the Client Users; or

3.5.5 attempt to obtain, or assist third parties in obtaining, access to the services, other than as provided under clause 2.

3.6 If PA informs the Client that it has any concern that performance of the services may result in the breach of applicable laws or regulations in any jurisdiction and requests that the Client obtain legal advice to confirm that no such breach will result, or to identify the risks that such breach may result, then the Client shall, as soon as reasonably practicable and at its cost, obtain such advice from an appropriately qualified lawyer reasonably acceptable to PA. The Client shall provide the results of such advice in writing and in full to PA as they become available. PA shall be entitled to suspend its performance of the services (with corresponding adjustment to any agreed timings for performance of the services) pending receipt of the results of such advice. If on receipt of the results of such advice either party is not satisfied that performance of the services will not result in the breach of applicable laws or regulations, or deems the risk of such breach unacceptable, then that party shall be entitled to terminate this Agreement by notice in writing to the other. In any event, and

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notwithstanding anything else in this Agreement, if PA has informed the Client that it has any concern that performance of the services may result in the breach of applicable laws or regulations, the Client shall indemnify and keep indemnified PA (on demand) against all costs, claims, liabilities, fines, penalties and expenses properly incurred by PA, its officers, employees, subcontractors and agents as a result of or in connection with any breach of applicable laws or regulations in any jurisdiction.

4. Fees and Payment

4.1 The Agreement sets out the proposed fees, costs and expenses for the services. Fees based on time and materials or on an estimate do not constitute a fixed price.

4.2 All fees, costs and expenses referred to in the Agreement are exclusive of VAT, sales and similar taxes of any kind.

4.3 The Client shall pay all fees, costs and expenses related to the services upon presentation of PA's invoice.

4.4 In the event that invoices are not paid within 30 days from presentation of the invoice, PA will be entitled to suspend performance of the services and / or to charge interest on any outstanding amount.

5. Confidentiality

5.1 In this section "Confidential Information" means any information (in whatever form) which is of a confidential nature and which relates to a Party's business or that of its group companies (for the purposes of this Agreement, a group company is a company controlling, controlled by or under common control with a Party to this Agreement), the provision of the services (including but not limited to Hosted Data) or the Agreement and which is disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") or which the Receiving Party learns during the provision of the services or otherwise as a result of entry into this Agreement.

5.2 The definition of Confidential Information does not include any information:

5.2.1 which is already known by the Receiving Party without an obligation of confidence; or

5.2.2 which is or comes into the public domain without breach of this Agreement; or

5.2.3 which is independently developed or created by the Receiving Party without use of the Confidential Information supplied; or

5.2.4 lawfully received from a third party without obligation of confidence.

5.3 The Receiving Party will treat the Disclosing Party's Confidential Information with the same degree of care as it treats its own confidential information and, as a minimum, with reasonable care.

5.4 During the provision of the services and for five (5) years from completion thereof or other termination of this Agreement, the Receiving Party agrees that it will:

5.4.1 keep the Disclosing Party's Confidential Information confidential; and

5.4.2 subject to clause 5.5 below not disclose such Confidential Information to any third party.

5.5 The prohibition referred to in clause 5.4.2 above will not apply where disclosure of the Confidential Information is:

5.5.1 Reasonably required by a company within the same group;

5.5.2 Reasonably required by the parties' advisors or sub-contractors;

Provided that any disclosure as a result of the exceptions in clauses 5.5.1 and 5.5.2 above will only be made if such third party is under a no less onerous obligation of confidentiality than as set out in this Agreement.

5.5.3 Reasonably required if as part of the provision of the services the Client requires PA to work with any third party supplier or other group company of the Client;

5.5.4 Required by a court or by law or by a regulatory authority. The Receiving Party shall give as much notice to the Disclosing Party as is reasonably practicable in the circumstances, and the Receiving Party shall assist the Disclosing Party in limiting the extent of such disclosure;

5.5.5 Consented to in writing by the other Party;

5.5.6 Discovered by PA's investigation and reveals information which PA's consultants reasonably believe to relate to other potential or actual criminal offences. In such circumstances, it is PA's legal duty to report the matter to the appropriate authorities on public policy and protection grounds. PA may also be obligated to hand over such materials to the relevant appropriate authorities and comply with their instructions.

6. Limitations and Exclusions

6.1 Each Party accepts liability without limit or exclusion for death or personal injury to any person due to its negligence or the negligence of its employees.

6.2 Each Party accepts liability for physical damage to or loss of the other Party's tangible property, if the damage or loss is due to its negligence or breach of contract. For the purposes of this clause, liability will be capped at £ 500,000 in respect of any one incident or series of connected incidents and is further capped at a maximum aggregated amount of £ 2,000,000 in respect of all claims falling within the ambit of this clause.

6.3 In respect of any liability other than those falling within clauses 6.1 and 6.2 above, each Party's total liability arising out of or in connection with the Agreement shall not exceed in aggregate 150% of the total fees payable by the Client under this Agreement.

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6.4 Neither Party shall in any circumstances be liable to the other whether in contract, tort (including negligence) or otherwise for:

6.4.1 Any loss of profit, loss of contracts, loss of benefit, loss of production, loss of availability, loss of data, loss of connectivity, degradation of network bandwidth, loss of access to systems, loss of anticipated savings, loss of reputation, loss of goodwill or loss of use suffered or incurred directly or indirectly by the other Party.

6.4.2 Any consequential, indirect or special loss or damage howsoever arising and of whatsoever nature.

6.4.3 Any punitive or exemplary damages.

6.5 Nothing in this Clause 6 shall affect or limit the Client's obligation to pay sums properly due under the Agreement.

6.6 The express terms of this Agreement shall apply in place of all warranties, conditions, terms, representations, statements, undertakings and obligations whether expressed or implied by statute, common law, custom, usage or otherwise, all of which are excluded to the fullest extent permitted by law.

6.7 Nothing in this Agreement shall limit a Party's liability for fraud, fraudulent misrepresentation or deceit.

6.8 Where the services include software as a service, Hosted Data, or other services delivered over third party platforms or infrastructure the Client acknowledges that such services are provided by PA on an "as is" and "as available" due to their being provided via the internet, which, by its very nature, is non-failsafe medium, the reliability of which PA cannot control.

7. Intellectual Property and Rights of Use

7.1 Intellectual Property ("IP") means all forms of intellectual property, including, without limitation, property in and rights under copyright, patents, conceptual solutions, circuit layout rights, performance rights, design rights, designs, database rights, trade names, trademarks, service marks, methodologies, ideas, processes, methods, tools and know-how and entitlement to make application for formal (or otherwise enhanced) rights of any such nature.

7.2 IP and rights to IP owned by either Party on the date of the Agreement or created outside the terms of this Agreement and all modifications thereto and derivative versions thereof created during the services ("Background IP") shall remain the property of that Party.

7.3 The Client hereby grants to PA a royalty-free, non-exclusive, non-transferable licence to use the Client's Background IP as required to allow PA to perform its obligations under the Agreement. All right, title and interest in and to the Hosted Data obtained and/or stored by PA as a result of its performance of the services is and shall remain the property of the Client or such other third party as may have legitimate right, title and interest in such Hosted Data.

7.4 IP created or developed by PA within the provision of the services ("Foreground IP") and rights to such IP will be owned by PA.

7.5 Upon completion of the services and on receipt of payment in full by PA, PA will grant to the Client a royalty-free, non-exclusive, non-transferable licence to use any Foreground IP and PA's Background IP as required to allow the Client to use the deliverables produced by PA for its internal business purposes as set out in the Agreement.

7.6 The licence referred to in clause 7.5 will be terminable by PA if the Client uses or seeks to use the Foreground IP and PA's Background IP for purposes other than those described in clause 7.5.

7.7 PA warrants that to the best of PA's knowledge and belief the results of the services shall not infringe the copyright of any third party.

7.8 PA may in the performance of the services use open source software and application tools. Accordingly PA gives no warranty that the possession and/or use of such software and application tools or any part thereof is not an infringement of any third party IP or other rights and PA gives no warranty that no third party has any right, title or interest therein.

7.9 The Client shall not copy, decompile, disassemble, reverse engineer, lease, sell, license or sub-license any software provided to it by PA.

8 Third Party Products and Services / Forecasts and Recommendations

8.1 Certain services might require the use of third party platforms, infrastructure or software ("Third Party Products") which may be subject to terms of services ("TOS") that are inconsistent with the terms and conditions of this Agreement. In such event PA will notify the Client of the applicable TOS and shall only use the corresponding Third Party Products after obtaining approval from the Client in writing, email permitted ("Approved TOS"). Approved TOS will be deemed incorporated into this Agreement and the supply of the Third Party Products by PA shall be solely upon the basis of the relevant Approved TOS. Notwithstanding anything to the contrary elsewhere in this Agreement, PA gives no warranty of any kind, expressed or implied in relation to Third Party Products other than as set out in the relevant Approved TOS.

8.2 Whilst PA shall use all reasonable endeavours to ensure that any open source software and application tools and any other Third Party Products used in the provision of the services (whether open source or otherwise) are appropriate, PA shall not be liable for any adverse effects reasonably unknown to PA and in relation to any software and application tools or other Third Party Products which have published uses, PA shall not be liable for any use or consequences of use that are unpublished or otherwise reasonably unknown to PA.

8.3 The Client warrants to PA that it shall, and all Client Users shall, comply with all end user requirements and acceptable use policies forming part of the relevant Approved TOS.

8.4 Statements made by PA relating to the services, and all advice, surveys, forecasts, recommendations and opinions (together "Results") in the Agreement, or suggested or supplied in any report, presentation or other communication are made in good faith on the basis of information available at the time and such Results are addressed only to the Client. Whilst PA will use reasonable skill and care in the preparation of such Results, they cannot be considered a representation, undertaking or warranty as to (i) outcome or achievable results or (ii) that any steps taken by the Client pursuant to such advice, opinion, measures or recommendations will guarantee that the Client's IT systems will be free from harmful components or from unauthorised interception or

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interference. The Client shall be solely responsible for the management, conduct and operation of its business and affairs; including without limitation for deciding on its use of the Results, choosing to what extent it wishes to rely on the Results, and/or implementing the Results.

8.5 Implementation of the results of the services and the Client's completion of any Client project of which the services form part may require the involvement or supervision of or giving advice to third parties engaged by the Client. PA strongly recommends that the Client obtain independent advice before entering into any legally binding commitment with any such third parties.

8.6 PA may, during its performance of the services, make statements about or recommendations of third party software, equipment or services. No warranty shall be attributable to PA with respect to such software, equipment or services, and the Client shall look solely to the warranties and remedies provided by any such third party with whom it may contract.

9. Termination

9.1 Either Party may at any time and without cause terminate the Agreement on giving 30 days written notice of termination to the other Party.

9.2 Upon termination under clause 9.1, the Client shall pay PA all sums due in respect of the services provided and expenses incurred prior to termination and shall reimburse PA for any non-refundable expenses and costs incurred after termination.

9.3 Either Party may terminate the Agreement forthwith by written notice if the other Party commits an act of bankruptcy or goes into liquidation or is put into liquidation (other than for a proper commercial purpose and whilst solvent) or a receiver is appointed or an administration order is made in respect of it.

9.4 Either Party may terminate the Agreement forthwith by written notice if the other Party commits a material breach of the Agreement and has failed to remedy the breach within 15 days of receipt of a written notice from the other Party identifying that the breach has occurred.

9.5 Involvement by either party in unethical business practices shall always be considered a material breach which is not capable of remedy. Such practice includes, but is not limited to, either party or anyone acting on a party's behalf (with or without the knowledge of that party):

9.5.1 engaging in any unethical or illegal activities in connection with the project or any agreement related to the services;

9.5.2 offering or giving any bribes or gifts to any individual or organisation involved in any way with the services;

9.5.3 requesting or accepting any bribes or gifts from any individual or organisation involved in any way with the services;

9.5.4 offering or paying any commission or other payment to any individual or organisation involved in any way with the project unless the full circumstances of such commission or payment are declared in writing to the other party and, where applicable, any end-client in advance; or

9.5.5 accepting any commission or other payment from any individual or organisation involved in any way with the project unless the full circumstances of such commission or payment are declared in writing to the other party and, where applicable, any end-client in advance.

9.6 In addition to the termination provisions specified above, PA may terminate the Agreement immediately by written notice if the Client or any Client Users misuse or abuse the services in any way or if the Client provides to any party any unauthorised access to PA's network management equipment, its other clients and/or its internet providers (or if PA reasonably believes or considers that any such misuse or abuse of the services may occur or that any such unauthorised access may have been granted by the Client), or if PA is required to suspend and/or terminate its provision of services to the Client upon the request of any regulatory or governmental authority or by virtue of any requirement of law.

9.7 Termination shall not affect any accrued rights or liabilities arising out of the Agreement. Termination for whatever reason shall result in automatic termination of all licenses or subscriptions granted by PA and the Client with immediate effect and in relation to Hosted Data services, the Client notifying PA, within 10 working days, if it requires an electronic back up of all Hosted Data (a "Back Up") to be provided by PA. Should the Client require a Back Up, the Client shall pay the costs of such Back-Up to PA in accordance with PA's then current applicable hourly rate plus the costs of any materials required to provide the Back Up (the "Back Up Costs"). The Back Up Costs shall be paid by the Client prior to the delivery by PA to the Client of the Back Up. The Client agrees and acknowledges that, should it require a Back Up, it must request, in writing, such Back Up from PA within 10 working days of the termination of the Agreement. If the Client does not request a Back-Up within 10 working days of the termination of the Agreement, it shall have no additional right to receive a Back Up and all Hosted Data will be deleted from PA's servers. In the event of a bona fide dispute about the validity of any termination of the Agreement (as shall be notified in writing by either party to the other within 10 working days of the alleged termination), providing PA creates a Back Up, it may delete all Hosted Data from its servers and, if it is finally determined by way of a non-appealable decision that the Agreement termination was invalid, PA shall deliver the Back Up to the Client providing the Client has paid the Back Up Costs.

10. Non-Solicitation

10.1 The Client shall not, either during the provision of the services or for a period of six months from completion, employ or offer employment to any member of PA's project team.

11. Data Protection

11.1 Each Party warrants to the other that it has complied with and will continue to comply with the provisions of data protection legislation in relation to the Agreement.

11.2 PA warrants and undertakes to comply with any lawful direction of the Client in respect of personal data included in the Hosted Data and to implement adequate organisational and technical measures to safeguard against the accidental loss or damage to that personal data.

12. Third Party Rights

12.1 No person or entity other than the Client shall have any rights to enforce any of the terms of the Agreement against PA.

12.2 PA does not accept any liability, howsoever arising, under the Agreement to any person or entity other than the Client.

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13. Assignment

13.1 Neither Party shall assign the Agreement without the other Party's prior written consent (not to be unreasonably withheld or delayed).

14. Publicity

14.1 The Client agrees that PA may:

14.1.1 Refer to the Client on its client lists.

14.1.2 Refer to the nature of the services contracted for provided that the Client is not identified.

14.2 Neither Party shall make any statement about the services to the press or the public without the other Party's written consent.

15. Waiver

15.1 No failure, delay or indulgence by either Party in exercising any power or right under the Agreement shall operate as a waiver of that power or right.

16. Notices

16.1 Where the Client is required to give notice in writing to PA, the notice must be addressed to the individual who signed the Agreement at the address set out in the Agreement with a copy to the Group Legal Advisor, 10 Bressenden Place, London SW1E 5DN.

16.2 Where PA is required to give notice in writing to the Client, the notice will be addressed to the person who signed the Agreement (or that person's successor) at the address stated in the Agreement (or current place of business if PA knows this to be different).

16.3 All notices in writing must be sent by post or delivered by hand to the addressee.

16.4 In the absence of evidence of earlier delivery:

16.4.1 A notice sent by post will be deemed to have been served two business days after posting.

16.4.2 A notice delivered by hand will be deemed received on delivery.

17. Force Majeure

17.1 Neither PA nor the Client will be liable for any failure to perform their obligations, or delay in the performance of their obligations, if the failure or delay is due to causes outside their reasonable control. If the force majeure event continues for a period exceeding 90 days from the date of such suspension, either party may, on written notice to the other, terminate this Agreement forthwith. Upon termination of this Agreement the Client shall pay all outstanding charges (and expenses) accrued up to the date of termination (including any charges that relate to the period after termination, if it is not possible for PA to obtain a refund of such charges).

18. Severability

18.1 If any provision or part of a provision of the Agreement is held to be invalid, illegal or unenforceable that part shall be severed and the remaining provisions shall continue to be valid and enforceable as if the Agreement had been executed with the invalid provision omitted.

19 Entire Agreement

19.1 This Agreement constitutes the entire and only agreement in relation to the services and deliverables and supersedes all prior agreements, representations, understandings or discussions. Any terms or conditions which the Client purports to apply under any purchase order, confirmation of order, specification or other document do not form part of this Agreement. The Client acknowledges that any agreement, representation, understanding or discussion it wishes to rely upon has been recorded in the Agreement. The Client acknowledges that no reliance has been placed upon any agreement, representation, understanding or discussion that has not been embodied in this Agreement.

20. Applicable Law & Jurisdiction

20.1 The Agreement shall be governed by and construed in accordance with the laws of England and Wales.

20.2 Any dispute arising out of or in connection with the Agreement will be subject to the exclusive jurisdiction of the English Courts.

If you wish to provide some feedback on our services, or if you feel our services could be improved, or are in any way dissatisfied with our services we would invite you to contact the person identified in our Proposal.

If you feel either that such a course of action is inappropriate, or that the matter is not resolved, you should contact PA's Chief Executive Officer, either by writing to him at 10 Bressenden Place, London, SW1E 5DN or through our website at www.paconsulting.com under 'Contact us'.

For further information about PA as required under the Services Regulations, please refer to our website at www.paconsulting.com.

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Schedule 1 - Agile Delivery Terms

Where the services are delivered using an agile methodology, the terms and conditions set out below shall also apply.

A1 **Definitions**

A1.1 **Agile Change Control Process** has the meaning given in A4.
Agreed Number of Sprints: has the meaning given in A2.1.
Client Support Team: has the meaning given in A6.
Deliverable: means the software or non-software deliverables developed by PA in collaboration with the Client under this Agreement, identified at a high level in the Proposal and more particularly in the User Stories.
Delivered Result: A Sprint Result that meets the Definition of Done and the Test Criteria in accordance with A3.2 and A3.3.
Definition of Done: as determined by the Development Team under A2.6 below.
Development Team: the PA personnel who conduct the development of the Deliverables.
Product Backlog: the current version of the document defined in clause A2.2
Product Owner: means the Client personnel identified as such in the Proposal or such other person nominated by Client from time to time.
Result: The result of development work carried out under this Agreement to meet a particular Requirement.
Requirement: has the meaning given in A2.1.
Results: the result of development work carried out under a Sprint.
Severity Levels: means the severity levels for Test Issues set out in A7.
Severity Level Thresholds: means the number of Test Issues for each Severity Level set out in A8 above which number the Delivered Result will not be Achieved.
Scrum Master: The person identified in the Proposal as such or such other person nominated by PA from time to time.
Sprint: a non-extendable two week period in which User Stories are developed, tested and Delivered in accordance with this Schedule.
Sprint Backlog: has the meaning given in A2.5.
Sprint Goal: has the meaning given in A2.8.
Sprint Minimum: the minimum number of User Stories to be delivered in a particular Sprint, as defined in A2.1.
Tests: The tests that are to be run on a particular Result by Client under clause A3 to determine whether it complies with its Test Criteria and the expected results of those tests.
Test Issue: means any failure of the Sprint Result to operate in accordance with the Test Criteria and above the defect threshold level of defects stated in A7.
Test Criteria: The Test Criteria set out in a particular User Story agreed in accordance with A3.1 incorporating the definition of Test Issue, Severity Levels and Severity Level Thresholds in A7.
User Story: A Requirement and, for software Deliverables, the associated Test Criteria.

A2 **Agile Process**

A2.1 For Deliverables delivered using the Agile Process, a high level scope or product vision will be set out in PA's Proposal or otherwise agreed by the parties. A more detailed scope (for software Deliverables, this includes the non-functional requirements) will be mutually agreed by the parties in writing and is known as the "**Requirements**". The Requirements may evolve and change over time, provided both parties agree in writing and subject always to A2.4 and the Agile Change Control Process. For each Deliverable, the Agreed Number of Sprints shall be 8 and the Sprint Minimum shall be 20 unless the Proposal states, or the parties mutually agree, otherwise. For software Deliverables, a proportion of Sprints will be used for resolving Test Issues.

A2.2 For each Deliverable, the Product Owner has created and will maintain a document called the "**Product Backlog**" consisting of the:
(a) User Stories sorted in priority order;
(b) Story Points for each User Story as notified by the Development Team in accordance with A2.3; and
(c) Results and Delivered Results to date as determined in accordance with A3.4.

The Product Owner will provide the Development Team with the Product Backlog on request.

A2.3 The Development Team shall determine in its discretion the Story Points for each User Story included in the Product Backlog and will notify the Product Owner accordingly. The Product Owner may not amend the Story Points for specific User Stories.

A2.4 The Product Owner may change the priority of User Stories included in the Product Backlog or delete User Stories from the Product Backlog, however, the Product Owner must follow the Agile Change Control Process in A4 if it wishes to add a new User Story to the Product Backlog.

A2.5 The Parties will hold a Sprint planning meeting before each Sprint begins. At each Sprint planning meeting the Product Owner will select User Stories from the Product Backlog that it wishes to be included in the current Sprint and notify the Development Team accordingly. In turn, the Development Team will determine how many of the selected User Stories can be developed during the current Sprint, the sum of which shall be equal to or above the Sprint Minimum, and will notify the Product Owner accordingly. The foregoing steps shall be repeated until the Parties, using reasonable endeavours, agree the User Stories to be included in the current Sprint and such agreed list of User Stories shall be referred to as the "**Sprint Backlog**". During each Sprint the User Stories included in the current Sprint Backlog may not be changed by either Party.

A2.6 At or following each Sprint planning meeting, the Development Team shall create a Sprint Backlog setting out for each User Story agreed under A2.5 the following: the Requirements, Tests, Definition of Done, Story Points and a breakdown of the specific tasks required to be performed and who in the Development Team they are allocated to.

A2.7 The Development Team shall update the Sprint Backlog on a daily basis and make this available to the Product Owner upon request. From time to time, the Development Team and the Scrum Master may review the Story Points for any User Story and determine in their discretion whether a change in the Story Points is appropriate and the Sprint Backlog shall be updated accordingly.

A2.8 The "**Sprint Goal**" is to deliver all User Stories in the Sprint Backlog by the end of the relevant Sprint. The Development Team and the Scrum Master will use reasonable endeavours to achieve the Sprint Goal during the relevant Sprint.

A2.9 At the end of each Sprint, the Development Team, Scrum Master and Product Owner shall hold a Sprint review meeting (the "**Sprint Review**"). In each Sprint Review, the Development Team and Scrum Master shall notify the Product Owner which of the current Sprint Results meets the applicable Definition of Done whereupon the Product Owner shall determine which of those Results meet the Test Criteria in all material respects in accordance with A3. The participants shall also discuss and agree potential improvements to their practices, teamwork, environment, or organisation for implementation in future Sprints in a separate meeting known as the "**Sprint Retrospective**".

A2.10 Following each Sprint Review, the Parties shall repeat the process outlined above for each successive Sprint, up to the Agreed Number of Sprints.

A2.11 Where the Deliverable is software, upon completion of the Agreed Number of Sprints and Testing, the Development Team shall provide the Product Owner with a description of the Deliverable's design and functionality ("**Software Description**").

A3 Testing

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A3.1 All Deliverables shall be delivered by PA in accordance with good industry practice. Clauses A3.2, A3.3 and A3.4 shall only apply to software Deliverables.

A3.2 The Client shall be responsible for writing the Tests for each Requirement and the PA will provide advice and guidance on this process. The Client shall undertake the Tests to determine whether the Sprint Results meet their respective Test Criteria within five Working Days of completion of the relevant Sprint, at a time to be agreed in writing with PA. The Client shall permit PA to attend and observe the Tests. Client shall not unreasonably withhold or delay its agreement that any particular Sprint Result meets its Test Criteria. In particular, the Client shall not withhold or delay giving its Approval that the Sprint Results have Achieved the Test Criteria because of minor omissions or Test Issues that do not materially affect the use of the Deliverable. Client agree that they shall not unreasonably withhold their agreement to any workarounds proposed by PA.

A3.3 Client shall be deemed to have accepted that a Sprint Result has met its applicable Test Criteria on the earliest of (a) the Client's written agreement to that effect, (b) the expiry of five Working Days after the completion of the relevant Tests, unless the Client has given written notice to PA that the Sprint Result does not meet its applicable Test Criteria specifying the details of the nature of the failure, (c) the Client fails to complete the Tests within five Working Days after completion of the relevant Sprint, and (d) the live use of the Deliverables (or the relevant part of it) by the Client or any of its employees, agents or other contractors.

A3.4 PA shall use reasonable endeavours to remedy Severity Level 1, 2 and 3 Test Issues above the corresponding Severity Level thresholds stated in A6 in the Sprint Results within a reasonable time of them being notified to PA and to make the Sprint Results available for Client to re-perform the Tests in accordance with clauses A3.1 to A3.3. For the avoidance of doubt, where any Test Issue is caused by a defect in any hardware, software, product or system not developed by PA then the Client shall be responsible for procuring that the relevant supplier remedies the relevant Test Issue, and PA will have no liability for the same and such Test Issue shall not form part of the total number of Test Issues for the purposes of the Test Criteria or warranty in A5 below.

A3.4 After completion of the relevant Tests, the Product Owner shall update the Product Backlog with details on which User Stories have reached Achievement status.

A4 Agile Change Control Process

A4.1 If the Product Owner requests that a new User Story be added to the Product Backlog, it shall notify the Development Team who shall determine the number of Story Points for that User Story and notify the Product Owner whether the proposed change is technically viable or not. If the Product Owner then wishes to proceed with adding a new User Story to the Product Backlog it shall notify the Development Team and update the Product Backlog accordingly.

A4.2 If the Product Owner wishes to delete a User Story from the Product Backlog, it may only do so following conformation from the Development Team that the existing User Story has not already been selected for a Sprint.

A5 Warranty for Software Deliverables

A5.1 This clause A5 only applies to software Deliverables and shall apply in place of the warranty set out in Clause 2.1.

A5.2 For 30 days from the latter of the completion of the Agreed Number of Sprints and when all Results are Delivered Results (the "**Warranty Period**"), PA warrants that the Deliverables shall have fewer than or equal to the threshold number of open Severity Level 1 to 3 defects stated A7. The Client' sole remedy and PA's entire liability for breach of this warranty, shall be the correction by PA of such Severity Level 1 to 3 defects above the corresponding Severity Level thresholds stated in A7 within a reasonable time from notification by the Client to PA of the Test Issue that constitutes such breach and provided always that such notification takes place during the Warranty Period.

A5.3 Following the expiry of the Warranty Period (and applicable subscription term), PA shall have no liability in respect of or obligation to remedy any defects in the Software unless the Client has purchased support services in respect of the Software.

A5.4 The warranty given in clause A5.2 in relation to the Deliverables is in lieu of all other express or implied warranties or conditions relating to the Deliverables including, but not limited to, implied warranties or conditions of merchantability and fitness for a particular purpose. PA specifically denies any implied or express representation or warranty that the Deliverables will be fit:

(a) to operate in conjunction with any hardware items or software products other than with those hardware items and software products that are identified in the Software Description as being compatible with the Deliverables; or
(b) to operate uninterrupted or error-free; or
(c) to have all program defects corrected.

A5.4 Any unauthorised modifications, use or improper installation of the Deliverables by the Client shall render all PA warranties and support obligations in respect of the Deliverables null and void.

A6 Client Obligations

A6.1 The Client shall comply with the terms of any applicable third party licences and shall obtain and shall maintain all necessary licences, consents, and permissions necessary for the PA including the Development Team and the Scrum Master to perform their respective roles, responsibilities, obligations and duties under this Agreement. The Client shall allocate members of its staff to work with the Development Team for the roles, responsibilities, level of dedication, requisite skills, experience and qualifications as specified in PA's Proposal ("**Client Support Team**"). The Client acknowledges that timely and successful completion of the project is facilitated by continuity of personnel in the Client Support Team.

A7 Severity Levels and Severity Level Thresholds for Software Deliverables

A7.1 This Clause A7 is only applicable to software Deliverables.

A7.2 **Severity Levels**

"**Severity Level 1**" means: a defect in connection with the testing or operation of the Sprint Software, where a critical element of the Sprint Software is or is likely to be prevented from functioning or being performed.
"**Severity Level 2**" means: a defect in connection with the testing or operation of the Sprint Software, where the Sprint Software still functions however:
(1) the functionality or performance of the Sprint Software is or is likely to be severely impacted; or
(2) there is or is likely to be a significant impact on the users;
"**Severity Level 3**" means: a defect in connection with the testing or operation of the Sprint Software, where the Sprint Software still functions with a workaround, however
(1) the required functionality or performance is or is likely to be materially impacted; or
(2) there is or is likely to be a material impact on the users;
"**Severity Level 4**" means:

(1) a defect in connection with the testing or operation of the Sprint Software, where the Sprint Software still functions, however there is or is likely to be a minor functionality or performance impact;

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(2) a defect in connection with the testing or operation of the Sprint Software, where the Sprint Software still functions, however there are or are likely to be minor cosmetic issues with no functional impact;

"**Severity Level 5**" means: an out of scope improvement to the Sprint Software has been identified, possible enhancement.

A7.3 **Severity Level Thresholds:**

Severity Level 1: 0 defects
Severity Level 2: 0 defects
Severity Level 3: 20 defects
Severity Level 4: an unlimited number of defects
Severity Level 5: an unlimited number of defects

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