SPEY SOFTWARE LTD.
STANDARD TERMS AND CONDITIONS

1. Interpretation

"Spey Software" refers to Spey Software Limited.

"Specification Letter" refers to the letter sent to a prospective client detailing the work that Spey Software offers to undertake on behalf of the prospective client.

"the agreement" refers to a Specification Letter that has been accepted by a client and that incorporates these terms and conditions.

"client" refers to a prospective client to whom a Specification Letter has been sent where that letter has been accepted.

2. Services & Performance

Spey Software will, in a timely and professional manner using appropriately experienced personnel exercising a high level of skill and care, provide services to the client in terms of the Specification Letter.

Spey Software reserves the right at any time to engage any third party contractor or specialist as its sees fit to ensure completion of the agreement. The client will be advised of such engagement and such third party will be deemed to be a member of Spey Software staff.

3. Termination

Either party may terminate the agreement on giving to the other party Thirty days written notice of their intention to terminate the agreement.

In the event of termination by either party Spey Software will be entitled to recover from the client all reasonable costs incurred and fees for time expended in the performance of the agreement to the date of termination. On or before the date of termination of the agreement Spey Software will make arrangements for the prompt delivery to the client of all completed work and documents; "documents" will include without limitation: all reports, plans, specifications, studies, and charts prepared by Spey Software at the request of the client.

4. Client Responsibilities

The client will permit all necessary access to its premises and facilities to Spey Software and its staff as is reasonably required to enable Spey Software to fulfil its obligations under the agreement. The client agrees that it will make available in a complete accurate and timely manner to Spey Software all necessary information and assistance as is reasonably required to enable Spey Software to fulfil its obligations under the agreement.

The client will ensure that all Spey Software staff within the client's premises and facilities are protected and secure in accordance with Health and Safety legislation for the time being.

5. Fees, Invoices and Payment

a) Fees will be invoiced to the client in accordance with the Specification Letter and become payable in full within fourteen days from the date of invoice. Fees stated in the invoice will be inclusive of (if any) delivery, import duties, handling charges.
b) Value Added Tax at the current rate in accordance with UK legislation will be added to the fees and will be payable by the client.
c) If any sum payable by the client remains unpaid for a period of 14 days or more after the due date for payment, without prejudice to any other rights available to Spey Software, Spey Software reserves the right

to charge interest at the rate of three per cent per annum over Clydesdale Bank plc (or its successors) base lending rate, compounded monthly, from the due date of payment until the sum is paid.

d) If, due to any circumstances for which Spey Software is not responsible, Spey Software incurs additional expenses not provided for in the Specification Letter in connection with the agreement, such additional expenses may be invoiced to the client at the discretion of Spey Software and if so invoiced will be paid by the client. Spey Software will use its best endeavours to intimate such additional expenses to the client as soon as possible.

e) In the event that the client causes delay in the completion of the agreement or fails to implement actions as detailed in the Specification Letter which results in delay in the completion of the agreement, Spey Software reserves the right to render a fee at its standard rates for the additional work required to complete the agreement and will be entitled to recover from the client any additional costs, charges and others incurred in the completion of the agreement.

f) In the event that delay in completing the agreement is caused by factors outwith the control of either party, neither party will be liable to compensate the other but both parties will use their best endeavours to ensure completion of the agreement.

g) In the event that Spey Software fails to complete the agreement within time specified in the Specification Letter (excepting circumstances in 5 e) and f) above, Spey Software will complete the agreement at no additional cost the client.

6.   Limit of Liability

The liability of Spey Software to the client for direct loss or damage whether contractual or delictual or otherwise arising out of or in connection with its performance of or its partial or total failure to perform in accordance with the agreement will in respect of any one incident or series of incidents attributable to the same cause be limited to the fees paid to Spey Software but will not in any circumstance exceed the sum of One Hundred Thousand Pounds (£100,000).

Spey Software will not be liable for delays or impossibility of performance caused by circumstances beyond its reasonable control.

7.   Document Ownership and Intellectual Property Rights

All documents prepared by Spey Software at the request of or on behalf of the client in terms of the agreement and all copyright and intellectual property rights thereunder shall be and remain the sole property of the client. Spey Software will deliver all such documents to the client. For purposes of this paragraph, the term "documents" will include without limitation: all reports, plans, specifications, studies and charts prepared by Spey Software at the request of the client.

Computer software and the source code thereof shall remain the property and copyright of Spey Software unless otherwise stated in the Specification Letter.

Spey Software reserves property and copyright in all its standards, methodologies, software tools and related documents used for or with the client during the currency of the agreement.

8.   Data Protection and Confidentiality

In order to assist the client with its obligations as a Data Controller under the terms of the Data Protection Act 1998 (DPA 1998), Spey Software agrees to take all reasonable steps in accordance with Principle 7 of the DPA 1998, to ensure that any "personal data" held by the client is protected against loss, destruction, alteration or unauthorised disclosure to third parties. Spey Software agrees that it will not process any personal data held by the client without the prior consent of the client and that any authorised processing shall be carried out in accordance with instructions issued by the client.

Both parties represent that they have adequate means of protecting their own confidential information and that the same means will be used to protect confidential information belonging to the other party. Any systems software, programs or other date in whatever form or material or information ("information") relating to either party's business acquired by one party under the agreement shall be treated by the other party as secret and confidential and shall not be disclosed to any third party without the prior written consent of the other party unless:

a) The information was already lawfully known or became lawfully known to the other party quite independently of its entering into the agreement.

b) The information is or becomes within the public domain other than due to the wrongful use or disclosure by the other party;

c) Disclosure or use is necessary in order for either party to enforce its rights under the agreement.

d) Disclosure or use is necessary for the property and effective performance and/or the lawful exercise of the other party's rights under the agreement; or

e) Whereas disclosure is required by law or regulation having force of law, to be disclosed.

Both parties agree to return or destroy at the end of provision of service under the agreement or upon demand by such party, and without delay, any document containing confidential information belonging to the other party.

9.   Notice

Any notice required in terms of the agreement will be made in writing and delivered by hand or sent by fax or first class post to the addressee at the Registered Office of the party or to its normal place of business. Such notice will be deemed to have been given by delivery by hand or if sent by fax at the time of transmission if sent by 4.00pm on any working day otherwise it will be deemed to have been given at 10.00am the following working day or the next working day after posting whichever the case may be. A working day will mean any day Monday to Friday inclusive but excludes UK public or bank holidays and the period 24th December to 1 January.

10.   Law & Entire Agreement

The agreement will be governed by and construed in accordance with Scottish law and the parties prorogate the non-exclusive jurisdiction of the Scottish Courts. The agreement supersedes all prior agreements, arrangements and undertakings between the parties and constitutes the entire agreement between the parties. No addition or modification made to the agreement shall be binding on the parties unless signed by a duly authorised representative of each party.