

## Digital Locksmiths – Terms of Business

1. An estimate of Digital Locksmiths' fees and related expenses is provided in the proposal and will remain valid for 30 days from the date of submission. The proposal is not to be construed as an offer to perform the assignment within a fixed time or at a fixed price.
2. All fees and expenses will be invoiced in accordance with the schedule set out in the proposal. Payment of invoices is due within 30 days of presentation. Interest on overdue amounts is chargeable at the rate of 3 per cent above the base-lending rate of The Co-Operative Bank plc. If invoices remain unpaid beyond 45 days any further work on the assignment may be suspended on written notice to the client.
3. Services by nominated consultants are offered subject to their availability at the time of acceptance of the proposal. Digital Locksmiths reserves the right to use suitably qualified associates or sub-contracted services.
4. Digital Locksmiths shall not be liable to the client for any losses that are not reasonably foreseeable on acceptance of the proposal or for any indirect or consequential or economic loss whatsoever. Digital Locksmiths does not warrant that its work will be outside the scope of any patent or registered design but it will inform the client on becoming aware of any potential infringement.
5. Digital Locksmiths' total liability arising out of or in connection with the assignment shall be limited to an amount equal to the fees set out in the proposal. Digital Locksmiths does not exclude or limit its liability to the client for death or personal injury resulting from its negligence.
6. Digital Locksmiths shall not be liable to the client for any loss or damage suffered by the client as a result of, or in connection with any claim brought against the client by any third party. The client shall fully indemnify Digital Locksmiths against all financial liability (including professional costs) suffered or incurred by Digital Locksmiths as a result of, or in connection with any third party claim brought against Digital Locksmiths resulting from death, injury, damage or loss occasioned by the use, operation, methods or other results of the assignment.
7. Digital Locksmiths will keep confidential for three years from the date of its supply, all information supplied by or on behalf of the client that is designated as confidential (Information). This duty of confidence shall not extend to Information which is:
  - a. already in the possession of Digital Locksmiths, or;
  - b. lawfully received from a third party, or;
  - c. already published at the date of supply or subsequently published or disclosed through no fault of Digital Locksmiths, or;
  - d. shown to have been independently developed or created by Digital Locksmiths without reference to the Information supplied.
8. Some or all of the services may be carried out in Digital Locksmiths' development offices or laboratory. Visits by clients to these areas are not normally permitted when confidential work is in progress. Therefore client access to these areas is strictly controlled and is available only by prior arrangement.
9. Except for the purposes of the assignment, the client shall not use, exploit, divulge or disclose to third parties Digital Locksmiths' proprietary material that may be communicated to or gained by the client in the course of the assignment.
10. The client shall fully indemnify Digital Locksmiths against all financial liability (including professional costs) arising out of any claim alleging infringement or misuse of a third party's confidential information, copyright material, patent, registered design or design right, in the event that Digital Locksmiths were required by the client to use the information, material, invention or design concerned, or the information, material, invention or design concerned was received by Digital Locksmiths from the client.
11. Digital Locksmiths' employee and associate contracts contain provisions that protect against the divulging of client confidential information. Employees also contract with Digital Locksmiths not to work for or provide services to Digital Locksmiths' clients, and it is a condition of Digital Locksmiths' engagement that subject to the rights and freedoms of individuals to seek employment, neither the client nor any firm or company associated with the client will employ or engage any employee involved on the assignment either during the course of the assignment or within one year of its completion. Should the client act in breach of this condition, an introduction fee equal to one years salary for the employee concerned shall be payable by the client to Digital Locksmiths.
12. Unless otherwise agreed in writing, the ownership of any patents, registered designs, design information, copyright, conceptual solutions or any other right arising from Digital Locksmiths' work on the assignment ("the Rights") shall remain vested in Digital Locksmiths and the client shall be granted a non-exclusive non-transferable licence to use the Rights for the purposes set out in the proposal. The granting of any such licence shall not apply to the pre-existing rights of Digital Locksmiths or to the rights of third parties that would be the subject of separate licensing arrangements. Where Digital Locksmiths agrees in writing to the transfer of any or all of the Rights to the client, such transfer shall only be affected upon completion of all phases of the assignment as recommended by Digital Locksmiths and on payment in full of all moneys due to Digital Locksmiths from the client.
13. Client acknowledges that certain skills, knowledge & information gained as a result of working on the assignment will be retained in the memory of Digital Locksmiths' employees. Therefore, Digital Locksmiths shall be free to use for any purpose, the Residuals resulting from access to or from working with the clients deliverables, provided that this right to Residuals does not represent a license under any patents, copyrights or other Intellectual Property of the client and provided that the Clients Confidential information is not thereby disclosed. Digital Locksmiths shall not have any obligation to limit or restrict the assignment of such persons or to pay royalties for any work resulting from the use of Residuals.
14. If the client or Digital Locksmiths are totally or partially prevented or delayed in performing their respective obligations under the proposal or these Terms of Business by any act of force majeure (meaning any cause or event beyond its reasonable control), and as soon as possible gives written notice of the nature of the cause or event, that party will be excused performance of its obligations (other than payment) from the date of such notice for so long as the cause of delay continues. In the event that the cause of delay remains after a period of 3 months from the date of such notice, either party shall have the right to terminate the assignment forthwith by giving written notice to the other.
15. Subject to clause 13, Digital Locksmiths' services may be terminated by either party on giving one calendar month's notice in writing to the other, without affecting accrued rights or liabilities including payment for all charges committed or incurred up to the date of termination.
16. If the client becomes insolvent, goes into liquidation, has an administrative receiver appointed, or is otherwise unable to pay its debts, then Digital Locksmiths' services shall be terminated forthwith without affecting rights or liabilities accrued up to the date of termination.
17. This proposal, and these Terms of Business shall be construed and interpreted in accordance with English law. If any provision of these, The Proposal or these Terms of Business, is found to be unenforceable for any reason, the remaining provisions shall continue in full force and effect.
18. All amendments of these TERMS shall be agreed in writing.