

TERMS AND CONDITIONS

JULY 2011

The service will contain the following components and/or services:

Phone Support

- Granular IT LTD will endeavor to solve technical problems via phone support before instigating a call out.
- Phone support can be used to solve problems via a VPN connection, or by guiding The Customers personnel.
- Inclusive phone support is unlimited

Site visit

Four hours free onsite support per year is included in the cost. Granular IT LTD will arrange with The Customer a mutually suitable time for the visit.

Additional site visits requested will be charged at the agreed rate of £119.00 per hour.

Services performed during on site visit dependant on network and software-

- Update of Virus system (3rd Party license extra at cost)
- Check server Log File for errors and take appropriate action
- Minor correction where required, of software configuration problems which interfere with correct operation of servers; as discovered through routine monitoring or through problem reports
- Other corrective action as deemed necessary by us, to maintain a robust environment.
- Reporting of any faults that will require appropriate action but are not covered in the maintenance service.
- Quarterly Test of Uninterruptible Power Supply (UPS) function where fitted via software. Minor workstation problems once routine maintenance has been performed and time permitting.

Daily backup checks

- Dependent on The Customers system and software

Daily antivirus checks

- Dependent on The Customers system and software

The Customers Responsibilities

- Customers of the Service, as part of this agreement in which the services they will receive are detailed, also have some responsibilities:
- Report desktop computer problems, using the problem reporting procedures detailed in this agreement, including clear and accurate description of the problem

- The Customer will make all reasonable effort to Avoid the introduction of Virus's into the system or files
- Provide input on the quality and timeliness of service
- Recognize when software testing or non-standard software installation on their PC is causing problems that interfere with standard business functions and impede support.
- Accept installation of Granular IT LTD software in standard directories.

Problem Response Times

On calling the help desk the problem will be placed into one of the following categories.

- Level 3 Minor user problems affecting a single user
- Level 2 Problems causing major disruption to a single user

Level 1 Server fault affecting a large number of users causing major disruption to the clients operation. If this problem cannot be resolved over the phone Granular IT LTD will endeavor to respond within the following times:

- Level 3 - 5 working days
- Level 2 - 2 working days
- Level 1 - 2 working hours

The response does not indicate the time to resolution.

- Granular IT LTD will aim to give an approximate indication of the problem and the duration after an initial assessment but only where the problem can be clearly identified.
- The effectiveness of the maintenance service or any technical support given under this agreement will depend on The Customer making daily backups of the data, having a good back-up systems and a standard platform. (See appendix for details)

Hours of Service

Granular IT LTD shall provide Services to the Customer under this agreement between the hours of 9.00 am until 6:00 pm on business days, phone support will be available Mon-Fri 7am – 7pm.

Granular IT LTD may provide Services to the Customer outside such office hours at its discretion, but shall be under no obligation to do so

Services include, but are not limited to:

- Unlimited, telephone and remote on-line support.
- Install patches, fixes, and updates to operating system and/or servers; install additional software packages to the operating system or server; install patches, fixes, and updates to additional software packages.
- Maintain adequate protection and safeguard Customer against virus, Trojan, spyware (the "Protections") or any other unauthorized intrusion Customer may specify.
- Develop policies and procedures for updating Protections.
- Evaluate and make recommendations to Customer regarding Network Security, Protections, or any other concerns Granular IT LTD may have in order to safeguard Customer's Network, Workstations, Computers, or other related systems.
- Provide consultation and installation Services for any new projects or tasks that Customer requests of Granular IT LTD.
- Provide disaster recovery from backup
- Offer general advice and guidance to Customer's employees or end users, and make recommendations to Customer concerning their systems and software.
- Liaise with hardware engineers and customer support, or other services or entities related to the maintenance and upkeep of Customer's systems and software.

1 Limitation of Services.

Granular IT LTD shall not be responsible for the following:

- Liaising with billing and/or accounting on matters related to payment for software, licenses, Services, or other items unless directly provided by or acquired for Customer by Granular IT LTD.
- Fixing errors and omissions contained in any third-party resource outside of the direct control of Granular IT LTD, unless otherwise specified.

2. Specifications.

Granular IT LTD agree to perform the Services pursuant to the specifications set forth in Schedule B attached hereto (the "Specifications").

3. Term of Service.

- The Agreement will last for the initial period of one calendar year from commencement, and shall be automatically renewed on each anniversary of commencement on continued payment of Maintenance Fees in accordance with this Agreement and shall remain in force until expiry or earlier termination by either party in writing to the other by not less than 3 months notice or otherwise in accordance with this Agreement.
- The Customer will be able to terminate this Agreement within the first 60 days from commencement if there are reasonable grounds and a written complaint has been sent to the Granular IT LTD account manager. Appropriate time, as determined by the Granular IT LTD must be given to resolve any complaints before the Granular IT LTD shall accept termination.
- Either party may terminate the contract if a receiver or administrative receiver is appointed over the other party.
- If either party is in material breach of this Agreement the other party has the right to terminate this Agreement immediately, provided that written notice of the breach has been given to the party in breach and the breach has not been remedied within a period of 28 days from such notice.

Upon termination of this Agreement, Granular IT LTD shall transfer and make available to Customer all property and materials in Granular IT LTD' possession or subject to Granular IT LTD' control that are the rightful property of Customer. Granular IT LTD shall make every reasonable effort to secure all written or descriptive matter that pertains to the Services or Work Product and agree to provide reasonable cooperation to arrange for the transfer of all property, contracts, Agreements, supplies, and other third-party interests, including those not then utilized, and all rights and claims thereto and therein. In the event of loss or destruction of any such material or descriptive matter, Granular IT LTD shall immediately notify Customer of the details of the loss or destruction in writing and provide the necessary information for a loss statement or other documentation to Customer.

4. Ownership Rights.

Granular IT LTD shall have ownership to all Granular IT LTD' Material. "Granular IT LTD' Material" consists of all copyrightable:

- (a) Materials that do not constitute Services or Work Product (as defined in Section 1, Scope of Services, and in Schedule B, Specifications)
- (b) Materials that are solely owned by Granular IT LTD ("Pre-existing works") or licensed to Granular IT LTD.
- (c) Materials that are incorporated into the Work Product or a part of the Services.

Granular IT LTD shall hold all rights, title, and interest in and to Granular IT LTD' Material. Customer shall not do anything that may infringe upon or in any way undermine Granular IT LTD' rights, title, and interest in Granular IT LTD' Material, as described in this paragraph 4. Notwithstanding the above, Granular IT LTD hereby grant Customer an unrestricted, nonexclusive, perpetual, fully paid-up worldwide license for the use or for the sublicense of the use of any Granular IT LTD' Material employed under this Agreement.

5. Compensation.

For all of Granular IT LTD' Services under this Agreement, Customer shall compensate Granular IT LTD by BACS or Direct Debit, pursuant to the terms of Schedule A. In the event Customer fails to make any of the payments referenced in Schedule A by the deadline set forth in Schedule A, Granular IT LTD have the right, but are not obligated, to pursue any or all of the following remedies: (1) terminate the Agreement (breach), (2) immediately stop all Services, (3) bring legal action.

6. Mutual Confidentiality.

Customer and Granular IT LTD acknowledge and agree that the Specifications and all other documents and information related to the performance, production, creation or any expression of the Services or Work Product are the property of Customer. Materials shared between Granular IT LTD and Customer (the "Confidential Information") including, but not limited to, documentation, product specifications, drawings, pictures, photographs,

charts, correspondence, supplier lists, financial reports, analyses and other furnished property shall be the exclusive property of the respective owner (the "Owning Party") and will constitute valuable trade secrets. Both parties shall keep the Confidential Information in confidence and shall not, at any time during or after the term of this Agreement, without prior written consent from the Owning Party, disclose or otherwise make available to anyone, either directly or indirectly, all or any part of the Confidential Information. Excluded from the "Confidential Information" definition is anything that can be seen by the public or had been previously made available by the Owning Party in a public venue.

7. Limited Warranty and Limitation on Damages.

Granular IT LTD warrant the Services or Work Product(s) will conform to the Specifications. If the Services or Work Product do not conform to the Specifications, Granular IT LTD shall be responsible for correcting the Services or Work Product without unreasonable delay, at Granular IT LTD' sole expense and without charge to Customer, to bring the Services or Work Product into conformance with the Specifications. This warranty shall be the exclusive warranty available to Customer. Customer waives any other warranty, express or implied. Customer acknowledges that Granular IT LTD are not responsible for the results obtained by Customer when using any Services or Work Product produced by Granular IT LTD. Customer waives any claim for damages, direct or indirect, and agrees that its sole and exclusive remedy for damages (either in contract or tort) is the return of the consideration paid to Granular IT LTD as set forth in Schedule A attached hereto. No action, regardless of form, arising out of the Services rendered or Work Product, under the Agreement, may be brought by either party more than one year after the cause of action has occurred. In no event shall Granular IT LTD be held liable for consequential damages.

8. Independent Contractor Behavior.

Granular IT LTD agree to adhere to all of Customer's policies and procedures concerning code and conduct while on Customer's premises. Customer agrees to make available to Granular IT LTD prior to the commencement of this Agreement all manuals, codes, rules, and regulations that Customer requires Customer's staff or employees to read and/or sign.

9. Licensing

Granular IT LTD may need to install certain software on the Customer's system to allow remote access and administration. Granular IT LTD is responsible for informing the Customer if there are licensing issues involved in this. Customer is entirely responsible for all its licensing requirements on all existing software and on that the Consultant has been requested to install in the course of its duties. If in the course of its duties Granular IT LTD ascertains that certain pieces of software are operating without the correct licenses then the Customer warrants that it will take all necessary steps to rectify the situation.

10. Equipment.

Customer agrees to make available to Granular IT LTD, for Granular IT LTD' use in performing the Services required by this Agreement, such items of hardware and software as Customer and Granular IT LTD may agree are reasonably necessary for such purpose.

Expenses.

Granular IT LTD will not be reimbursed for any expenses incurred in connection with the Services or Work Product, whether direct or indirect, without the express written approval of Customer.

11. General Provisions.

11.1 Entire Agreement.

This Agreement contains the entire Agreement between the parties relating to the subject matter hereof and supersedes any and all prior Agreements or understandings, written or oral, between the parties related to the subject matter hereof. No modification of this Agreement shall be valid unless made in writing and signed by both parties hereto.

11.2 Binding Effect.

This Agreement shall be binding upon and inure to the benefit of Customer and Granular IT LTD and their respective successors and assigns, provided that Granular IT LTD may not assign any of their obligations under this Agreement without Customer's prior written consent.

11.3 Waiver.

The waiver by either party of any breach or failure to enforce any of the terms and conditions of this Agreement at any time shall not in any way affect, limit, or waive such party's right thereafter to enforce and compel strict compliance with every term and condition of this Agreement.

11.4 Good Faith.

Each party represents and warrants to the other that such party has acted in good faith, and agrees to continue to so act, in the negotiation, execution, delivery, performance, and any termination of this Agreement.

11.5 No Right to Assign.

Granular IT LTD have no right to assign, sell, modify, or otherwise alter this Agreement, except upon the express written advance approval of Customer, which consent can be withheld for any reason. Customer may freely assign Customer's rights and obligations under this Agreement.

11.6 Payments.

In the event Customer fails to make any of the payments set forth on Schedule A within the time prescribed in Schedule A, Granular IT LTD have the right to withhold Services, remove Work Product from Consultant-owned resources, or seek legal remedy until payment is made in full, plus accrued late charges of 4% above bank rate and payable on demand. Extra charges will be incurred on continual delays of payment.

11.7 Indemnification.

Customer warrants that everything Customer gives Granular IT LTD in the execution or performance of Services, or the creation of any and all Work Product is legally owned or licensed to Customer. Customer agrees to indemnify and hold Granular IT LTD harmless from any and all claims brought by any third party relating to any aspect of the Services or Work Product, including, but without limitation, any and all demands, liabilities, losses, costs, and claims including attorney's fees arising out of injury caused by Customer's products/services, material supplied by Customer, or copyright infringement.

11.8 Use of Descriptions of Services or Work Product for Promotional Purposes.

Customer grants Granular IT LTD the right to use descriptive text, testimonials, performance metrics, and other images, photos, and/or graphics that demonstrate the Services or Work Product for promotional purposes, and/or to cross-link such items with other promotional resources developed by Granular IT LTD.

11.9 No Responsibility for Theft.

Granular IT LTD have no responsibility for any third party taking all or any part of the Services or Work Product, results of Services or Work Performed, or the improper use of any Services or Work Product produced by Granular IT LTD by any third party.

11.10 Right to Make Derivative Works.

Granular IT LTD have the exclusive rights in making any derivative works of any Services, Methodology, or Work Product.

11.11 Attorney's Fees.

In the event any party to this Agreement employs an attorney to enforce any of the terms of the Agreement, the prevailing party shall be entitled to recover its actual attorney's fees and costs, including expert witness fees.

11.12 No responsibility for loss.

Granular IT LTD are not responsible for any down time, lost files, equipment failures, acts of nature, or any damage resultant from activities considered beyond the control of Granular IT LTD, such as war, riots, natural disasters, vandalism, and other events