

## Terms and Conditions

### General

All projects are approached in a similar manner and go through a number of distinct stages as shown below.

#### **Proposal**

Following the initial sales visit a proposal is provided which includes an overview, a budget cost and an indication of timescales.

An order with stage payments is then agreed in principle.

Software developed for other contractors is then shown to illustrate the operation of a typical system and to stimulate ideas. If required references from companies in the Clients trade will be provided.

#### **Design**

Further meetings are then scheduled to confirm requirements, finalise costs, training, payment terms and delivery dates to form a final proposal.

#### **Development**

The system is developed on-site or at our premises and any data conversion from existing systems is carried out.

The system is then installed on a target machine and staff training given.

#### **Implementation and Maintenance**

All systems are warranted against defects for 12 months included in the cost and telephone support in system operation is also provided.

After 12 months an annual maintenance agreement is available at a cost identified in the final proposal.

## **Pricing of Work**

All projects are priced and paid for in the following manner.

### **How the Price is calculated?**

#### **Software**

The price of the software in a project is determined by taking a value of software already developed in the Clients industry which will be used as the “base code” and then adding to it an estimate of the number of days or weeks of development needed to provide the enhancements to meet the Clients needs. An additional allowance of time is then made for the writing of a manual, the training of the key user and possible maintenance issues in the first year.

#### **Hardware**

The price of hardware in a project is determined by the cost of the hardware and then adding to it an estimate of the number of days of configuration and installation labour that is required. An additional allowance is then made for possible maintenance issues in the first year.

### **VAT and Validity**

All prices are quoted exclusive of VAT which will be applied at the prevailing rate at the time of invoice. All prices are valid for a minimum period of 30 days from the date of the quotation.

### **What are Stage Payments?**

All projects are normally broken down into separate stages and a series of payment amounts at set dates are agreed in the final proposal. It is normal to ask for a 50% deposit with order and the balance on achieving each milestone identified in the final proposal.

A simple project may consist of a deposit and a final payment on **substantial completion** of the system.

All payments are to be made by cheque to “ONLINE SYSTEMS”.

## **Our Current Rates**

The rates applicable from Jan - Dec 2010 are as follows:

**At Our Premises** - There is a charge of £50 per hour.

**At Client Premises** - There is a charge of £50 per hour subject to a minimum callout charge of £150 which includes the first hour.

**Daily and Weekly Rates** - There is a charge of £400 per day for small projects with a reduced rate of £1,800 per week for larger projects.

Note there are normally no travel costs or subsistence costs associated with working at Clients premises. However Online Systems reserves the right to charge for these under exceptional circumstances.

## **Miscellaneous**

The following points should be noted.

### **Substantial Completion**

Substantial completion occurs once a working version of the system meets the specification, training is finished and any promised data transfer is completed.

To protect the client, once the final payment has been made the first 3 months of the 12 month warranty contains a no quibble guarantee to modify any part of the system that fails to meet operational expectations before passing into a purely passive maintenance that seeks to rectify faults only.

### **Ownership and Title**

Ownership of hardware and proprietary software licenses (Windows XP, Office 2003 etc) become the property of the client on making the final payment. Bespoke software including source code becomes the “non exclusive” property of the Client on making the final payment.

Under the terms of “non exclusive” ownership the software may be used and if necessary modified by the Client but Online Systems

reserve the right to offer parts of the software built into systems offered to its other Clients as it sees fit.

A Client's library of standard data will not be offered as part of a system to another client without the permission of the Client.

### **Confidentiality**

Client's confidential data will not be shown to other Clients under any circumstances.

### **Maintenance**

Hardware and software are covered by on site maintenance for a period of 12 months (see substantial completion clause).

In the second and following years maintenance of hardware and software will be offered at the discretion of Online Systems at 12.5% of the hardware and software content of the final proposal respectively including additions.

### **Exclusions and Limitations**

Hardware is not covered if the damage is caused by wilful misuse or external electrical disturbances. Software is not covered if the damage is caused by wilful misuse or reinstatement is not possible due to the client failing to take working backups of the system. Laptops and printers are excluded from the initial and any future support arrangements.