

TERMS OF BUSINESS

Your agreement to engage us is constituted by these Terms and any other later document that we advise you becomes part of, or varies this agreement. These Terms confirm our understanding of the nature and the limitations of the services we will provide.

Scope of our Services

As your business and software solutions provider, we will:

- (a) analyse, discuss and make recommendations regarding your business operations;
- (b) prepare scoping, design and requirements documents as requested;
- (c) implement and/or develop software solutions; and
- (d) such other work as we agreed during the term of our engagement.

Our professional services are conducted and prepared specifically for you and your business. As such, we disclaim any assumption of responsibility for any reliance on our services to any party other than yourself and for the purpose which it was prepared.

Depending on the nature of the services for your intended project, we will scope and provide quotations in stages.

Professional Fees and Expenses

Our professional fees are based on the time, degree of technical skill required to complete the agreed project tasks. We will scope the project and provide a Quotation (see below). In addition to the Quotation fees, other reasonable out-of-pocket expenses incurred, such as travel and accommodation (outside of Adelaide), and any other charges we incur on the project are disbursements that will be invoiced to you, unless we agree otherwise in writing.

Quotation and Project Scoping

Stage 1 (Discovery Phase): Codium may provide you with a Stage 1 quotation, this quotation will consist of a high-level conceptual scope of your project and will not include any software development. We will commence scoping the project for Stage 1 once we receive signed acceptance of the Stage 1 Quotation and payment of the first installment amount has been made.

Stage 2 (Prototype Phase): Codium may provide you with a Stage 2 quotation, we will quote on producing a detailed design and/or requirements documentation for your project, and may include some software development with a view to developing a prototype. You will be required to enter into a separate Project Development Agreement with us if you wish to proceed with the quote provided. We will commence Stage 2 once we receive signed acceptance of the Stage 2 Quotation and payment of the first installment amount has been made.

Stage 3 (Delivery Phase): Codium may provide you with a Stage 3 quotation, this is the development phase of the project. If we elect to proceed to this stage we will provide a quotation which sets out a detailed scope of the development phase of the project including progress payments required. The Quotation will be based on the type of Project Development Agreement you will be entering into (See below). We will commence Stage 3 once we receive signed acceptance of the Stage 3 Quotation and payment of the first installment amount has been made.

Time & Materials Quotation (T&M): Codium may provide you with a Time & Materials quotation for some services, this is for the provision of services where the full scope of the project is not able to be determined.

Quotation Amendments: You may make comments on the Quotation (where provided in that document) but no amendments to the Quotation terms will be accepted without our prior written approval.

Work Plans: A Work Plan of the proposed project may be attached to the Quotation or to the Project Development Agreement provided to you for execution. You acknowledge and agree that, by the very nature of our services and the project, a Work Plan may be subject to variation upon commencement of the project.

Project Development Agreement and interaction with these Terms of Business

The Project Development Agreement (which shall be signed between us and you as part of our engagement) sets out our standard terms and conditions of providing the scoped service. You will be required to enter into a **Project Development Agreement (Perpetual)** or a **Project Development Agreement (IP Assignment)**, depending on the nature of our agreement.

The **Project Development Agreement (Perpetual)** will give you the licence to use developed software for its intended purpose however the intellectual property of the developed software will at all times remain as our property. Alternatively, a **Project Development Agreement (IP Assignment)** may, at our sole discretion, be offered to you in which case, the project-specific intellectual property arising out of the developed software will be assigned to you at the end of the project. Projects based on this form of agreement are a premium service and the Quotation provided on an IP assignment project reflect this.

Our standard forms for the **Project Development Agreement (Perpetual)** and the **Project Development Agreement (IP Assignment)** can be provided upon request.

We recommend highly that you read and understand the terms and conditions of these agreements before accepting any Quotations provided to you.

If you wish to negotiate amendments to your Project Development Agreement prior to execution, you must write to us with the requested amendments for consideration by our solicitors. We reserve the right to seek reimbursement of our legal fees (not exceeding \$1,200) incurred in reviewing and negotiating amendments to the Project Development Agreement.

Where there is a Project Development Agreement in place between you and us, the Project Development Agreement takes precedence to the extent of any inconsistency between these Terms and that Project Development Agreement, and these Terms should not be considered to be prejudicial in any way to the terms of that Project Development Agreement.

Project Sign-Offs

Stage Sign Offs: We may request you to sign off upon completion of any Stage to ensure a complete and mutual understanding of the end of that project stage.

Milestone Sign Offs: At any of the above Stages, we may also request you to sign-off on a project development milestone contemplated in the Work Plan that has been reached. This is to ensure a complete and mutual understanding of the achieved project milestone.

Project Sign Offs: At the completion of a project, we may require you to also sign a Project Completion and Acceptance of Work form. This stipulates the terms of project Evaluation Period, in which you are given 21 days to thoroughly test and ensure the software developed satisfies the project requirements. Following the Evaluation Period, the Project Warranty terms will apply and you may opt to purchase a Service Level Agreement.

Payment Terms

We will provide you with an account of professional fees, costs and disbursement. Unless otherwise agreed in writing, our terms are strictly 14 days from the date of each invoice rendered. If the amount payable on the Invoice is not paid within 30 days of the date of that Invoice, then interest will be payable by you on the total unpaid amount calculated 30 days from the date of the Invoice until the actual date of payment at the rate of 7% per annum calculated daily. If you default on your obligation to pay us within the payment terms and the overdue invoice(s) are then referred to a debt collection agency and/or law firm for collection and we are charged commission and/or disbursements and/or legal fees, you agree that you will be liable to pay as a liquidated debt to us any commission, disbursements and legal fees payable by us.

Staged Payments: During the term of the engagement with Codium, you may be requested for progress payments on the quoted fees. You acknowledge and agree that these progress payment invoices are raised on a time and materials basis and are not raised to correlate with any milestones achieved on the same.

Lien over software

We will exercise a legal right of lien over software we have developed for your project if the Project Development is terminated until such time as unpaid or outstanding fees owed by you have been paid or other satisfactory arrangements for payment are reached. A lien is a right to hold certain property until the debt incurred in respect of that property has been satisfied. Software may be disabled, hosting suspended or licences revoked until the outstanding debt is paid.

Use of Contractors and Other Outsourced Third-Party Services

We will be responsible for ensuring that any subcontractor engaged by us for the project development performs its duties in a proper and professional manner and otherwise complies with the terms of this Agreement as if it was a party to it.

Confidentiality

Throughout this engagement, all information acquired or exchanged by us is subject to strict confidentiality requirements. That information must not be disclosed by us to other parties except as required or allowed for by law, or with the express consent of the other party.

Privacy Act

We may collect personal Information about your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The obligations may include notifying the relevant person to whom the personal information relates who we are and how we propose to use their personal information. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

Your Disclosure Obligations

The responsibility for the accuracy and completeness of the particulars and information provided to us by you rests with you. It is your obligation to provide us with all information that you reasonably expect will be necessary to allow us to perform work under this engagement within a timely manner or as requested. Inaccurate, incomplete or late information could have a material effect on our services and/or our conclusions and may result in additional fees.

You are also required to advise us on a timely basis if there are any changes to your business circumstances that may be relevant to the performance of our services. Specifically, if any subsequent event results in the information you provided to us being inaccurate, incomplete or misleading, then you are obliged to advise us as soon as possible. We take no responsibility to the extent that our services are compromised because of the inaccurate, incomplete or misleading information being provided to us.

By accepting these terms, you will be taken to have agreed that the performance of our services is dependent on the performance of your obligations relating to disclosure of all material and relevant information.

Acceptance

You will have indicated your acceptance of these Terms of Engagement: first, by you signing an Authority to Proceed, and returning it to us; second, by confirmation email by you or your representative that the provisions of the Terms are agreed and you want to engage us; third, by any payment from you to us of any fees (by any means of payment) towards the engagement; or fourth, your participation in any way in engaging with us on the Quotation or the project development. You further acknowledge that (i) there are no legal restrictions preventing you from entering this agreement; (ii) you have carefully reviewed and understand this legally binding document; and (iii) you agree to commence the process of engagement subject to our terms and the directions from time to time.