

DATED

(1) << >>

(2) << >>

APPLICATION SERVICE PROVIDER (ASP) AGREEMENT

THIS AGREEMENT is made the day of

BETWEEN:

- (1) <<Name of Service Provider>> a company registered in <<Country of Registration>> under number <<Company Registration Number>> whose registered office is at <<Registered Office>> (“the Service Provider”) and
- (2) <<Name of Customer>> a company registered in <<Country of Registration>> under number <<Company Registration Number>> whose registered office is at <<Registered Office>> (“the Customer”)

WHEREAS:

- (1) The Service Provider hosts and provides access to the Applications described herein in its capacity as an Application Service Provider.
- (2) The Customer wishes to access the Applications described herein as hosted by the Service Provider under a non-exclusive Licence, from a remote location, in return for the payment of a monthly fee and subject to the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. Definitions and Interpretation

1.1 In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

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| “Applications” | means the selected software applications provided by the ASP which shall be available to the Customer, as set out in Schedule 2 of this Agreement; |
| “ASP Infrastructure” | means the Service Provider’s computer hardware, firmware, software and communications infrastructure which is used to facilitate access to the Applications by the Customer; |
| “Business Day” | means any day other than Saturday or Sunday that is not a bank or public holiday; |
| “Business Hour” | means any time between <<e.g. 09:00>> and <<e.g. 18:00>> on a Business Day, during which the Service Provider is open for business; |
| “Commencement Date” | means <<Insert date of Agreement>>; |
| “Confidential Information” | means all business, technical, financial or other information created or exchanged between the Parties throughout the Term of this Agreement; |
| “Customer Computer Systems” | means the Customer’s computer hardware, firmware, software and communications infrastructure through and on which the Applications are to be used; |

| | |
|---------------------------------------|--|
| “Customer Data” | means the data created by the Customer or to third parties under licence which is created or otherwise stored in the ASP Infrastructure; |
| “Early Termination Fee” | means the fee set out in Clause 1 of this Agreement which shall be payable by the Customer in the event that it chooses to terminate this Agreement in accordance with Clause 9.3; |
| “Fees” | means the fees payable by the Customer in return for access to the ASP Infrastructure and support services provided by the Service Provider in accordance with Clause 12 and Schedule 1 of this Agreement; |
| “Intellectual Property Rights” | means all present and future intellectual property rights, limited to copyright, design rights (whether registered or unregistered), trade marks, patents, know-how, trade secrets and database rights; |
| “Non-Customer User” | means any person who is not a Customer who may not use the ASP Infrastructure without the written consent from the Service Provider in accordance with Clause 10.4; |
| “Service” | means the services provided by the Service Provider to the Customer in accordance with the Service Specifications, ASP Infrastructure and Support Services provided by the Service Provider to the Customer; |
| “Users” | means any person who shall, from time to time, use the ASP Infrastructure through the ASP Infrastructure; |
| 1.2 | Unless the context otherwise requires, the following definitions apply in this Agreement to: |
| 1.2.1 | “writing”, and any other form of communication effected by any means, including facsimile transmission or electronic mail; |
| 1.2.2 | a statute or a provision of law, or any provision as amended or substituted from time to time; |
| 1.2.3 | “this Agreement” is the Agreement and each of the Schedules as amended or substituted from time to time; |
| 1.2.4 | a Schedule is a schedule as amended or substituted from time to time; |
| 1.2.5 | a Clause, sub-Clause or paragraph is a reference to a Clause of this Agreement (other than a Clause of a Schedule) or a paragraph of the relevant Schedule. |
| 1.3 | The headings used in this Agreement shall have no effect upon the interpretation of this Agreement. |
| 1.4 | Words imparting the singular shall include the plural and vice versa. |
| 1.5 | References to any gender shall include the other gender. |

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2. **The Service**

- 2.1 The Service Provider shall, from the Commencement Date, provide the Service to the Customer on the basis for the duration of the Term of this Agreement and in accordance with the terms and conditions of this Agreement.
- 2.2 The Service Provider shall provide the Service through the ASP Infrastructure and shall use all reasonable endeavours to ensure that such access is available, with the exception of planned maintenance, 24 hours a day, 7 days a week, 365 days a year. This shall be subject to the exceptions contained in Clauses 4, 12, and 13.

3. **Term**

- 3.1 The Service will be provided to the Customer during the term of this agreement (the "Term"), which shall commence on the Commencement Date and will continue until <<[number of years]>> unless otherwise terminated in accordance with Clause 19.
- 3.2 The Term may be renewed in accordance with the conditions as set out in Clause 19 [months] OR [years] upon the mutual consent of both Parties.

4. **Fees and Payment**

- 4.1 The Fees due for the Service shall be as set out in Schedule 1 to this Agreement.
- 4.2 The Customer shall pay to the Service Provider all Fees due within <<e.g. 30>> days of receipt of an invoice.
- 4.3 In the event that the Customer fails to pay the Fees due within the time period specified in sub-Clause 4.2, the Service Provider shall suspend the Customer's use of the Service until payment is made in full. The Service Provider may, in its discretion, suspend or disrupt any other of the Customer's operations.
- 4.4 In the event that the Customer fails to pay the Fees due within the time period specified in sub-Clause 4.3 then, without prejudice to sub-Clause 4.3, the Service Provider shall, from the date of any judgment, at <<e.g. 3>>% per annum over the Base Rate.
- 4.5 The Service Provider reserves the right to vary the Fees from time to time as it may deem appropriate. The Service Provider shall give 30 days' written notice of any such variation. Such variation shall take effect upon expiry of such notice, subject to the Customer's agreement in writing in accordance with sub-Clause 5.2.

5. **The Applications**

- 5.1 The Applications to which the Service shall be provided are detailed in Schedule 2 to this Agreement.
- 5.2 The Customer is free during the Term of this Agreement to either add to or remove from the selection of Applications. Any such change to availability of required Applications shall be amended accordingly in the event of such change.

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6. **Training**

In the event that any Users require the responsibility of the Customer and to bear any costs associated with provide any training of any kind [materials].

the Applications, it shall be are appropriately trained Service Provider shall not appropriate courses and / or

7. **Security**

7.1 The Service Provider shall includes <<Insert a full description of reserve power, redundant systems

the ASP Infrastructure measures such as firewalls,

7.2 The Service Provider shall ASP server. Such backups All <<Insert description of storage, e.g. fireproof safe, etc

backups of all data on the <<Insert description of media>>. <<Insert description of

8. **Maintenance**

8.1 The Service Provider shall be the ASP Infrastructure which

maintenance and upgrades to be required.

8.2 Subject to the provisions of all maintenance and upgrades from time to time be required

er shall be responsible for Computer Systems which may

8.3 [Whenever possible, the Service Provider endeavours to undertake business hours.]

its best and reasonable outside of the Customer's

OR

[Unless maintenance is carried out at scheduled times. The service shall be <<Insert relevant information>>. Corrective maintenance shall be undertaken

mance shall only take place nes under this Agreement <<Insert relevant information>>. Corrective maintenance shall be undertaken.]

8.4 Unless maintenance is carried out at least << >> Business Days the Customer's use of the and reasonable endeavours of corrective maintenance, where possible.

Service Provider shall provide maintenance which may affect the provider shall use it's best endeavours as possible in the case of corrective maintenance, where possible may not always be

8.5 Where maintenance will disrupt the complete all necessary work as possible thereafter where relevant

Service Provider shall aim to complete all necessary work as possible thereafter where relevant

8.6 Whenever possible, the Service Provider shall endeavour to provide a workaround solution to the Customer to enable the use of the Service or to enable use that is as close as possible to normal under the prevailing circumstances.

provide a workaround solution to the Customer to enable the use of the Service or to enable use that is as close as possible to normal under the prevailing

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9. **Software Licences**

9.1 The Customer shall use a non-exclusive, non-transferrable licence, as set out in Schedule 1, for a maximum number of << >> Applications at any given time and such access is to be controlled by means of access, e.g. HTML, etc.>>.

9.2 All Applications provided by the Service Provider unless otherwise stated in the licence included in this Agreement or by a third party, the relevant licence shall be annexed to this Agreement in Schedule 1.

9.3 Where Applications are the property of the Service Provider, the Service Provider warrants that they have all necessary rights to licence such applications to the customer for the purposes of this Agreement and for use under its terms.

10. **Applications and ASP Infrastructure**

10.1 Under this Agreement, as set out in Schedule 1, a maximum number of << >> Users shall be permitted to access Applications through the ASP Infrastructure at any given time.

10.2 Users' access to the Applications through the ASP Infrastructure shall be controlled by means of <<Insert description of the access control, e.g. username and password, IP validation etc.>>.

10.3 Should the Customer require an increase in the maximum number of Users, such an increase shall be permitted at the discretion of the Service Provider. The Service Provider shall increase Fees proportionately, in accordance with Schedule 1, in the event of an increase in the maximum number of Users.

10.4 Use by Non-Customer Users of the Applications through the ASP Infrastructure in the absence of express written consent of the Service Provider, such consent shall not be unreasonably withheld. The Service Provider may require such consent to be provided in writing and such consent shall include details as the reason that access to the Applications and ASP Infrastructure is required by the Non-Customer User and such consent shall include other information which may be required by the Service Provider.

10.5 The Customer shall use the Applications through the ASP Infrastructure for the purposes of carrying on its business of <<Insert description of the Customer's business to the level of detail reasonably required for the Service Provider to comply with the terms of this Agreement>>.

10.6 [The Service Provider shall ensure that the use of the Applications and ASP Infrastructure from the Customer's premises in compliance with the terms and conditions of this Agreement and any applicable Reasonable Usage Policy does not exceed the level permitted by the Reasonable Usage Policy. In the event that the Customer's use of the Service exceeds the level permitted by the Reasonable Usage Policy, the Service Provider shall have the right to increase Fees, in accordance with Schedule 1, and shall give the Customer appropriate, supplying 30 days' written notice to the Customer.]

10.7 The Customer may only access the Applications through the ASP Infrastructure as detailed in Schedule 2 to this Agreement. No access to the ASP Infrastructure shall be permitted for any other purpose.

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- permitted in the absence of the Service Provider's written permission from the Service Provider.
- 10.8 The Customer is exclusively responsible for the conduct of individual Customer Users (and must ensure that all Customer Users are trained in accordance with this Agreement). The Customer must notify the Service Provider immediately of any breaches of this Agreement.
- 10.9 Access to the Applications is available to the Customer by the means of access, e.g. HTTP, FTP, etc., via the ASP Infrastructure. Under no circumstances may the Customer reproduce or redistribute the Applications or the ASP Infrastructure, without first obtaining the written permission of the Service Provider.
- 10.10 The Customer's use of the Applications and the ASP Infrastructure may, from time to time, be governed by rules and requirements external to the terms and conditions of this Agreement. It shall be the Customer's exclusive responsibility to ensure that their use of the Service is in compliance with any such laws, regulations and requirements.
- 10.11 The Customer's use of the Applications and the ASP Infrastructure is subject to the following limitations, any of which may be waived by the Service Provider giving their express written consent:
- 10.11.1 The Customer may not use the Applications or the ASP Infrastructure for the purpose of conducting the business of an unauthorised third party.
 - 10.11.2 The Customer may not reproduce the Applications or the ASP Infrastructure or any part of the Applications or the ASP Infrastructure, or allow any unauthorised third party to access, reproduce or distribute the Applications or the ASP Infrastructure.
 - 10.11.3 The Customer may not allow any unauthorised third party to access, reproduce or distribute the Applications or the ASP Infrastructure.
- 10.12 Neither the Customer, nor the Service Provider, may, in the absence of the other's written consent from the Service Provider, make changes of any kind to the Applications or the ASP Infrastructure, or attempt to correct any errors in the Applications or the ASP Infrastructure.
- 10.12.1 Make changes of any kind to the Applications or the ASP Infrastructure; or
- 10.12.2 Attempt to correct any errors in the Applications or the ASP Infrastructure.
11. **Customer Computer Systems**
- 11.1 Prior to commencement of the Service, the Service Provider shall conduct a full inspection and inventory of the Customer's Computer Systems to ensure compatibility with the Applications and the ASP Infrastructure. Where appropriate, the Service Provider may recommend changes to the Customer's Computer Systems for upgrades and other improvements. Any such recommendations shall be presented in a written report to the Customer.
- 11.2 The Service Provider may require physical access to the Customer Computer Systems for the purpose of inspecting, testing and upgrading the Customer Computer Systems to ensure their compatibility with the Applications and ASP Infrastructure. Such access shall be granted by the Customer only upon receipt of a written request from the Service Provider.

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- 11.3 The Service Provider shall [insert description of] during the term of this Agreement to access the [insert description of] systems remotely for the purposes of inspecting, testing, maintaining, upgrading or otherwise the Customer Computer Systems to ensure their [insert description of] Applications and ASP Infrastructure.
- 11.4 Where, in the opinion of the Service Provider, the Customer Computer Systems are likely to cause disruption to the Service Provider's ASP Infrastructure, the Service Provider may request that the Customer [insert description of] the ASP Infrastructure until advised that reconnection [insert description of] Service Provider may require changes such as upgrades [insert description of] ment to be made to the Customer Computer System.
- 11.5 In the event of any unauthorised access to the Customer of Applications or the ASP Infrastructure, in breach of the Service Provider's ASP or otherwise the Service Provider shall be entitled to [insert description of] indefinitely or temporarily as it deems appropriate and to [insert description of] ment in accordance with Clause 19 below.
- 11.6 The Customer shall ensure that their Customer Computer Systems are connected to a third party service, communications system or network in such a way that the service may be accessed by unauthorised third parties.

12. Support

- 12.1 The Service Provider shall provide [insert description of] [and live online] support services during their normal [insert description of] bert normal business hours e.g. 09:00 to 18:00 Monday to Friday [insert description of] less hours to [include] OR [insert description of] [exclude] public holidays. The [insert description of] the Service Provider shall relate only to the Applications [insert description of] ure. Any problems which are related to Customer [insert description of] must be resolved by the Customer's own support staff.
- 12.2 In addition to the standard [insert description of] in sub-Clause 12.1, the Service Provider shall also provide [insert description of] [and live online] support services outside of their normal [insert description of] bert description of support times, e.g. 24 hours, 08:00 to [insert description of] additional support services 18:00. [insert description of] er at the rates set out in Schedule 1.
- 12.3 When seeking support the Service Provider shall [insert description of] its best and reasonable endeavours to provide the [insert description of] ssible to aid the Service Provider in diagnosing and [insert description of] Applications or the ASP Infrastructure.
- 12.4 The Service Provider shall [insert description of] rt problems within << >> Business Hours or as soon as [insert description of] ere resolution in that time is not possible.
- 12.5 Whenever possible, the Service Provider shall [insert description of] de a workaround solution to the Customer to enable the [insert description of] d use of the Service or to enable use that is as close as [insert description of] ble under the prevailing circumstances.

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15.3.2 may not disclose any Confidential Information to any third party except with the prior written consent of the Disclosing Party; and

15.3.3 shall make every effort to prevent any unauthorised use or disclosure of the Confidential Information.

15.4 The obligations of confidentiality under Clause 15 (excluding sub-clause 15.1) shall not apply to Confidential Information that:

15.4.1 is in the possession of the Disclosing Party or is published in the public domain prior to its receipt by the Receiving Party;

15.4.2 is or becomes public knowledge through no fault of the Receiving Party;

15.4.3 is required to be disclosed by law or regulation; or

15.4.4 is received in good faith by the Receiving Party from a third party who, to the best of the Receiving Party's knowledge, the Receiving Party claims to have no obligation of confidentiality in respect thereof and who imposes no obligation of confidentiality on the Receiving Party.

15.5 Without prejudice to any other remedies that the Receiving Party may have, the Receiving Party shall, in the event of a breach of this Clause that results in or may result in damage, be entitled to an award of damages or other remedies for threatened or actual breach of this Clause in addition to any other remedies available to it.

15.6 The obligations of the Parties under this Clause shall survive the expiry or the termination of this Agreement, irrespective of the reason for such expiry or termination.

16. Liability

16.1 Subject to Clause 17 of this Agreement, the Service Provider shall not be liable to the Customer for any loss or damage suffered by the Customer, even if such loss or damage is foreseeable or if the Service Provider has been advised of the possibility of such loss or damage, incurring it.

16.2 The Service Provider's entire liability to the Customer in respect of any breach of its contractual obligations under this Agreement, any representation, statement or tortious act or omission in connection with this Agreement, shall be limited to the direct financial damage or loss suffered by the Customer as a result of negligence arising under or in connection with this Agreement. < >>.

16.3 Notwithstanding any other provisions of this Agreement, the Service Provider's liability to the Customer shall not be limited by the Service Provider's own negligence or the negligence of its employees, agents or sub-contractors resulting from the Service Provider's negligence or the negligence of its employees, agents or sub-contractors shall not be limited by the Service Provider's own negligence or the negligence of its employees, agents or sub-contractors.

17. Indemnity

17.1 The Customer will fully indemnify and hold the Service Provider harmless against all costs, expenses, liabilities, losses, damages and other expenses that the Service Provider may incur or be subject to as a result of the following:

17.1.1 The Customer's misrepresentation or negligence in respect of ASP Infrastructure or any other element of the Service Provider's services.

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17.2 The Service Provider will
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18. Force Majeure

18.1 Neither the Service Provide
this Agreement where that b

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18.2 Force Majeure refers to any
parties and includes, but
provider failure, industrial
earthquakes, acts of terroris
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neft, fire, flood, storms,
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19. Termination

19.1 The Service Provider rese
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19.2 The Customer reserves the
circumstances:

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19.3 The Customer may also ter

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in Fees under sub-Clause unreasonably high. This right providing 30 days' written notice in Schedule 1.

such an increase to be subject to the Customer by Termination Fee set out

19.4 Within <<e.g. 7>> Business accordance with this Clause shall uninstall or otherwise and ASP Infrastructure including the Service Provider for that action, the Customer shall action has been taken. [The a representative to the Cust

tion of this Agreement in Agreement, the Customer access to the Applications client software supplied by immediately following taking such Provider in writing that such have the right to dispatch communication purposes.]

20. Notices

20.1 All notices under this Agree

20.2 Notices shall be deemed to

20.2.1 when delivered, if delivered by registered mail) during

20.2.2 when sent, if transmitted by report or return receipt

20.2.3 on the fifth business day after ordinary mail, postage

20.2.4 on the tenth business day after postage prepaid.

20.3 In each case notices should include address, or facsimile number

other messenger (including messenger of the recipient; or

a successful transmission

g, if mailed by national

g, if mailed by airmail,

most recent address, e-mail address.

21. Relationship of Parties

Nothing in this Agreement shall create a relationship of principal and agent, between the Service Provider and the Customer.

create, a partnership, the relationship of employee between the Service

22. Assignment

Neither Party shall assign, transfer or to any third party the benefit and/or consent of the other, such consent

other manner make over without the prior written consent withheld.

23. Severance

The Parties agree that, in the event this Agreement is found to be unlawful, the provisions shall be deemed severed and the remainder of this Agreement shall be

of the provisions of this Agreement is unenforceable, that / those provisions of this Agreement. The

24. **Entire Agreement**

24.1 This Agreement embodies the entire understanding between the Parties of all prior oral or written agreements, understandings, negotiations, discussions, and communications relating to the subject matter of this Agreement. Neither Party shall be bound to or rely on any agreement, understanding or arrangement made orally or in writing in this Agreement, save for any representation made in writing in this Agreement, this Agreement may be varied or amended only by both of the Parties.

24.2 Unless otherwise expressly provided in this Agreement, this Agreement may be varied or amended only by both of the Parties.

25. **No Waiver**

The Parties agree that no failure to comply with any provision in this Agreement shall constitute a waiver of any provision or any other provision in this Agreement. Such failure shall not constitute a continuing waiver of any provision in this Agreement and shall not constitute a continuing waiver.

26. **Non-Exclusivity**

The relationship between the Parties is and shall remain non-exclusive. Both parties are free to enter into other relationships with other parties.

27. **[Dispute Resolution (Arbitration)]**

27.1 It is agreed that where any dispute relating to this Agreement arises between the Parties, the dispute shall be referred to the arbitration of a single arbitrator with appropriate qualifications and practical experience to resolve the particular dispute.

27.2 The arbitrator shall be agreed by the Parties. In the event of failure to agree, the arbitrator shall be appointed by the President of the Law Society of England and Wales.

27.3 The arbitration shall take place in accordance with the Arbitration Act 1996 and shall be in accordance with the modification of that Act for the time being in force.

27.4 The Parties shall promptly provide all information reasonably requested by him relating to the dispute, imposing appropriate obligations of confidence.

27.5 The Parties shall require the arbitrator to render his decision within the time requested or if this is not practicable, as soon as may be practicable. The Parties shall require the arbitrator to achieve this objective.

27.6 The Parties shall share the costs of the arbitration equally. The arbitrator shall be bound by the decision of the arbitrator shared by both Parties.

27.7 [The Parties agree to exclude the jurisdiction of the courts of England and Wales concerning the arbitration.]



28. **Law and Jurisdiction**

28.1 This Agreement shall be governed by the law of England and Wales.

28.2 [Any dispute between the Parties arising out of or in connection with this Agreement shall fall within the jurisdiction of the courts of England and Wales.]

IN WITNESS WHEREOF this Agreement has been signed by the Parties on this _____ day of _____ 20____.

SIGNED by

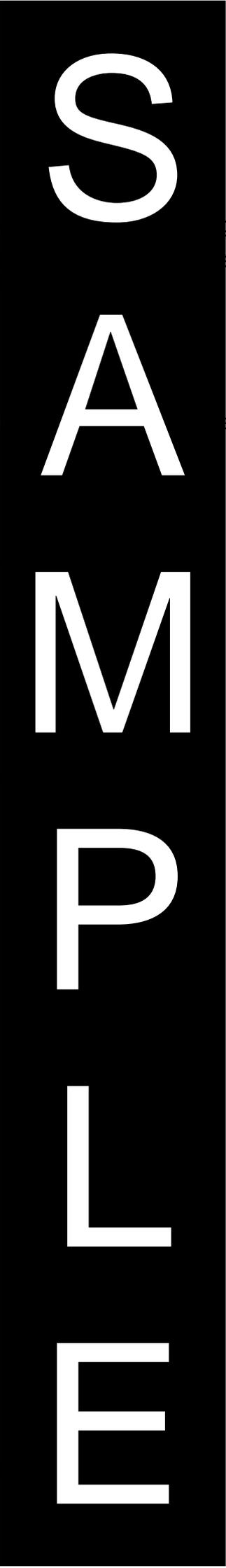
<<Name and Title of person signing for Service Provider's Name>>
for and on behalf of <<Service Provider's Name>>

In the presence of
<<Name & Address of Witness>>

SIGNED by

<<Name and Title of person signing for Customer's Name>>
for and on behalf of <<Customer's Name>>

In the presence of
<<Name & Address of Witness>>



Fees**1. Service Fees**

<<Insert details of fees payable for

2. Licence Fees

<<Insert details of licence fees pay, e.g. per Application, per User>>

3. Fee Increases

<<Insert details of how fees may b circumstances specified in the Agreement>>

4. Additional Support Charges

<<Insert details of fees for additional clause 10>>

5. Additional Costs

<<Insert details of any additional may be payable, e.g. ASP Infrastructure insurance etc.>>

6. Early Termination Fee

<<Insert details of the Early Term the Customer under sub-Clause 19.3>>

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Applications

<<Insert details of the Applications available so include any additional special terms and conditions>>

so include any additional



SC

Third Party Software Licenses

<<Insert details of third party software and licenses>>



[SC

[Reasonable Usage Policy]

<<Insert details of the Service Provider's policy exists, remove this Schedule>>

cy, if relevant. If no such

