

**HEAD AGREEMENT FOR LICENCE TERMS FOR COMMERCIAL SOFTWARE PURCHASED BY THE
SECRETARY OF STATE FOR DEFENCE**

This Agreement is made this 15th day of December in the year 2020.

BETWEEN

The Secretary of State for Defence, a corporation sole, (afterwards referred to as the AUTHORITY) as represented by the Defence Digital Corporate Contracting Team located at MOD Corsham...

AND

Hazy Limited, UK Company #10804708, Mindspace Aldgate, 114 Whitechapel High Street, London, E1 7PT (afterwards referred to as the COMPANY);

each being referred to as a "Party" and collectively as the "Parties".

BACKGROUND

- I. The AUTHORITY wishes to agree standard terms of licence with the COMPANY which will apply to "Commercial Software" products it procures from the COMPANY in order to avoid the need to negotiate individual terms each time those products are purchased; and
- II. The COMPANY is prepared to agree standard terms of licence with the AUTHORITY in order to facilitate sales of Commercial Software to the AUTHORITY.

For the purpose of this Agreement "Commercial Software" means software available commercially including that software modified on sale to suit the requirements of a customer.

THE HEAD AGREEMENT

1. The Parties agree that they will adopt the terms of licence set out in the Annex to this Head Agreement (the "Annex"), as the standard terms of licence for the procurement of Commercial Software by the AUTHORITY from the COMPANY and from any of its wholly owned subsidiaries for which the COMPANY is entitled to make this Head Agreement. This shall not imply that either Party may not propose other conditions for any particular licence or that either Party shall be bound to accept any particular licence in the terms set out in the Annex.
2. Each software licence which is to be procured subject to the standard terms of licence set out in the Annex, shall be established by a schedule (the "Schedule") which incorporates those terms by making reference to this Head Agreement and the Annex. Each licence so concluded shall be legally separate from this Head

Agreement.

3. Each Schedule will take the format provided in the Attachment to the Annex. Individual Schedules may include special conditions adding to, varying, or setting aside any condition set out in the Annex and in the event of any conflict between the terms of the Annex and the special conditions of a Schedule the latter shall prevail.
4. Either Party shall be entitled to terminate this Head Agreement at any time on written notice to the other Party but the termination shall not vary the conditions of or terminate any extant Licences.
5. This Head Agreement shall be subject to and construed and interpreted in accordance with the Laws of England and shall be subject to the jurisdiction of the Courts of England. Other jurisdictions may apply solely for the purpose of giving effect to this Agreement and for the enforcement of any judgement, order or award given under English jurisdiction.

Signed for and on behalf of the Secretary of State for Defence

[Redacted signature block]

In the capacity of Commercial Manager.

Signed for and on behalf of the COMPANY *[Insert name of company]*

[Redacted signature block]

In the capacity of Director.

ATTACHMENT TO ANNEX TO HEAD AGREEMENT – STANDARD FORM OF LICENSING SCHEDULE**SCHEDULE TO THE HEAD AGREEMENT BETWEEN THE AUTHORITY AND HAZY LIMITED DATED: 15th**

December 2020 Version Number: 0

CONTRACT REFERENCE NUMBER: DEFFORM701/CCT882

By their respective signatures of this Schedule the Secretary of State For Defence (the “AUTHORITY”) undertakes to purchase and Hazy Limited (the “LICENSOR”) undertakes to supply the Licensed Software for Use on the Designated Equipment at the Designated Site (all as identified below) under the Standard Conditions set down in the Annex to the Head Agreement and any Special Conditions set down in Part VIII below which may vary or add to those Standard Conditions.

PART I - LICENSED SOFTWARE PROGRAMS**Hazy (Owner) Platform Licence (Restricted)** – for non-commercial use (ie Pilot)**Hazy (Owner) Generator Licence (Restricted)** – for non-commercial use (ie Pilot)**All Software Licences are Annual.**

Note that to put Hazy software into commercial / production use, this will require unrestricted licences for the Platform and Generator which are charged at [REDACTED] cost. Standard Support will be charged at [REDACTED] of Licence List Price per annum.

Hazy is acting as the LICENSOR for all software listed above*Indicate for each program whether these are supplied by the LICENSOR as owner or a licensee of the owner.***PART II - DESIGNATED SITE**Unrestricted**PART III - DESIGNATED EQUIPMENT**Unrestricted**PART IV – ACCEPTANCE PERIOD & TEST**

One week to validate synthetic data produced for use case / data set chosen against defined acceptance criteria (successful installation of software of Hazy software on MODCLOUD ICE environment).

PART V - LICENCE FEES**One-Off Pricing is offered by Hazy as follows:**

- **Hazy (Owner) Platform Licence (Restricted)** – [REDACTED]
- **Hazy (Owner) Generator Licence (Restricted)** – [REDACTED]
- **Hazy Professional Services** - [REDACTED]
- **Support** – [REDACTED]
- **Total for Generator and Services: £30,000.00 (ex VAT)**

PART VI - INVOICE ARRANGEMENTS

Payment for Contractor Deliverables will be made by electronic transfer on or after receipt by the Authority of the Licensed Software and within 30 days of deliver or receipt of invoice, in line with Clause 4 of the Annex to the Head Agreement. The Contractor will be required to register their details (Supplier on-boarding) on the Contracting, Purchasing and Finance (CP&F) electronic procurement tool.

Without prejudice to any other right or remedy, the Authority reserves the right to set off any amount owing at any time from the Contractor to the Authority against any amount payable by the Authority to the Contractor under the Contract or under any other contract with the Authority, or with any other Government Department.

PART VII - WARRANTY PERIOD

The Hazy software will be warranted for the duration of the subscription using the restricted licences.

PART VIII - SPECIAL CONDITIONS

The following special conditions shall apply in addition to the clauses of the Annex to the Head Agreement in relation to the service and support element:

SUPPORT

1.1 Hazy shall provide support to the Authority relating to the Hazy Software on MODCLOUD ICE Environment as set out in this Clause 1.1 for so long as the version thereof in use by the Authority is generally supported by Hazy. The Support Service Shall:

1.1.1 provide the services set out below in this Clause 1.1 during Business Hours (9:00am to 5:30pm Mon-Fri excluding Public Holidays) with reasonable skill and care;

1.1.2 respond to an email request for support in relation to an identified issue or a reasonable question relating to the use of the Software received from the Authority within one (1) clear Business Day of receiving the request;

1.1.3 respond to a request received from the Authority for telephone or video conference call support in relation to an identified issue, or a reasonable question relating to the use of the Software, within two (2) clear Business Days of receiving the request for support or question; and

1.1.4 use reasonable endeavours to resolve any identified issue notified to Hazy as soon as reasonably possible.

1.2 Hazy shall not be required to provide support in relation to an Excluded Event (defined at 1.2.1). The Authority shall pay Hazy's reasonable costs and expenses incurred in investigating an Excluded Event in connection with a support request from the Authority at the rates set out in the Hazy Price Book (List) below:

1.2.1 An Excluded Event shall be defined as:

(a) use of the Software by Customer other than in accordance with the Agreement (including any failure to follow the User Manual);

(b) installation or use of the Software other than for the purposes for which it is intended;

(c) negligent use of the Software by Customer;

(d) modification or alteration of the Software without the prior written consent of Hazy;

(e) installation, combination or use by Customer of the Software on equipment or with any other software or other elements not: specified in the Agreement as being compatible with the Software; approved by Hazy in writing; or in accordance with Hazy's written instructions;

(f) attempted repair, rectification or maintenance of the Software by any person other than Hazy;

(g) failure to install any update recommended and made available by Hazy within three (3) months of such update being made available; or

(h) issue arising in connection with materials, specifications or data (other than data intended to be processed as part of the Software functionality) provided by or on behalf of Customer;

1.3 The Authority shall be entitled to receive updates to the Software at no additional fee. Updates shall comprise a further release of any part of the Software made generally available by or on behalf of Hazy from time to time to correct identified issues, improve performance or modify architecture, technology or functionality.

1.4 Where it is agreed Hazy will install an update, the parties (acting reasonably) shall agree the target date for the installation in writing.

1.5 The "License Term" shall be defined as the period extending 12 months from date of Authority receipt of Licenses.

1.6 Hazy does not guarantee that use of the Software will be error-free or uninterrupted, or that Hazy will correct all errors in the Software.

2.1 Except as expressly stated herein, this Agreement does not grant the Authority any rights to, under or in, any Intellectual Property Rights or licences in respect of the Software, the User Manual or the services provided under the Agreement.

2.2 The Intellectual Property Rights in the Software and User Manual, in any developments of or enhancements to the Software or services (including where created during the provision of services to the Authority), and in any orally provided feedback or improvements suggested by the Authority or its representatives (which may be transcribed by Hazy) or any feedback provided to Hazy in the form of questionnaires with defined answers in respect of software, products or services provided by Hazy are, and shall remain, the property of Hazy and its third party licensors.

2.3 To the extent the Authority orally or in questionnaire response provides any ideas, feedback or suggestions regarding the Software and any of Hazy's other products or services ("Feedback") to Hazy, the Authority assigns all ownership, right, title and interest in and to such Feedback to Hazy and acknowledges that Hazy may freely use and otherwise in any way exploit such Feedback without payment of any royalties or other consideration to the Authority.

2.4 The Intellectual Property Rights in:

2.4.1 the trained generator model output by the Software used by the Authority to generate synthetic data, which includes the random seed, noise file and generator configuration file; and

2.4.2 the data generated by the Software for the Authority,
are owned by the Authority.

2.5 Subject to Clauses 2.6 and 2.8, Hazy shall:

2.5.1 defend at its own expense any claim brought against the Authority by any third party alleging that the Authority's use of the Software infringes any copyright, database right or registered trademark, registered design right or registered patent in the United Kingdom (an "IP Claim"); and

2.5.2 pay all costs and damages awarded or agreed in settlement or final judgment of an IP Claim.

2.6 Hazy's obligations under Clause 2.5 are conditional on the Authority:

2.6.1 upon becoming aware of any actual or threatened IP Claim, promptly notifying Hazy and providing full written particulars of the IP Claim to Hazy;

2.6.2 making no comment or admission, agreement or compromise in relation to the IP Claim without Hazy's prior written consent (such consent not to be unreasonably withheld or delayed) and taking no action that may adversely affect Hazy's ability to defend or settle the IP Claim;

2.6.3 cooperating with, providing all information, access and assistance reasonably required by Hazy, and taking such action to avoid, dispute, compromise or defend the Claim as may be reasonably requested by Hazy, subject to Hazy paying the Authority's reasonable costs; and

2.6.4 giving Hazy sole authority to defend or settle the IP Claim as Hazy considers appropriate.

2.7 If the Software is, or Hazy considers it is likely to become, subject to an IP Claim, Hazy may at its option:

2.7.1 obtain the right for Customer to continue to use Software; or

2.7.2 replace or modify the Software (or the part of it subject to the IP Claim) so that it becomes non-infringing without materially affecting the functionality of Software set out in the Specification; or

2.7.3 terminate the Agreement by notice in writing to the Authority and refund any prepaid Licence Fees (less a reasonable sum in respect of the Authority's use of the Software to the date of termination) on return or, at Hazy's election, permanent and secure deletion or destruction, by the Authority of the Software and User Manual and all copies thereof.

2.8 Hazy shall have no liability or obligation under this Clause 2 in respect of (and shall not be obliged to defend) any IP Claim which arises in whole or in part from any breach by the Authority of the Agreement or any Excluded Event.

For this agreement only Clause 4 of the Head Agreement – Termination for Convenience does not apply

Provisions for library compiler or software generator.

Hazy is packaged as a set of docker images comprising all the components required to install the Platform and Generator software

PART IX – LIMITS OF LICENSOR'S LIABILITY

In the event that no separate limit of liability is inserted in connection with the Licence the LICENSOR's liability under this PART IX shall not exceed [REDACTED].

FOR LICENSOR

FOR AUTHORITY

Signed [REDACTED].

Signed [REDACTED]

Name
[REDACTED]

Name
[REDACTED]

Appointment: Director

Appointment: Commercial Manager

Date 16/03/2021

Date: 10/03/2021

