1 DEFINITIONS

1.1 Service **-** the standard computer-based Secure Payroll Service as supplied from time to time by Secure for the calculation of employee gross and net remuneration.

1.2 Input - the payroll information , in a condition specified by Secure and submitted to Secure by the Client to enable Secure to provide the Service to the Client.

1.3 Data - the payroll information of the Client for the time being stored on Secure's computers.

1.4 Output - the printed material produced by Secure from processing the Data.

1.5 Charges - the charges payable by the Client in respect of the Service and as subsequently amended under the provisions hereof.

1.6 Commencement Date - the date from which the Service will be provided as indicated in the Agreement.

1.7 Initial Term - a period of one year from the Commencement Date.

1.8 Quarter Days - 31st. March, 30th June, 30th September and 31st December in any year.

2 SERVICE

2.1 Secure hereby agrees to provide the Service to the Client.

2.2 In the event of a computer or program failure Secure will use all reasonable efforts to restore the Service promptly and will deliver outstanding Output as soon as practicable.

3 TERM

This Agreement shall take effect on the Commencement Date and, subject to any provisions relating to early termination, will continue for the Initial Term remaining in force thereafter until terminated by either party giving to the other not less than 6 months prior notice in writing to expire at the end of the Initial Term or on any subsequent Quarter Day.

4 CLIENT INPUT

4.1 The Client shall be responsible for preparing the Input in a form, layout and to a timescale as specified by Secure and for delivering the Input to Secure

4.2 Secure will not be liable for any loss or damage sustained by the Client as a result of the Input being incorrect, illegible or in a format not specified by Secure and Secure reserves the right to charge for additional work required as a result of any fault in the Input.

4.3 The obligation of Secure under clause 2 will be subject to receipt by Secure of the Input in the specified form and timescale and Secure reserves the right to charge for any additional costs incurred by Secure as a result of any failure by the Client to observe these requirements.

4.4 The Client shall retain a duplicate of the Input as delivered to Secure for a period of at least seven days after such delivery.

4.5 If the Input or any part thereof shall be lost, destroyed or damaged prior to loading on to Secure's computer and whilst in the possession of Secure then Secure shall forthwith notify the Client who shall promptly supply Secure with the copy of the Input retained by the Client pursuant to clause 4.4 and Secure shall use such copy for loading the input.

5 CHARGES

5.1 Secure shall invoice the Client for the Charges immediately after each processing run of the Data.

5.2 Secure may at any time alter the Charges in accordance with any change in Secure's standard scale of Charges for the Service by giving the Client not less than one month's prior written notice.

5.3 The Client shall be bound to pay any altered Charges from the expiry of Secure's notice as aforesaid unless within 14 days of receipt thereof the Client gives Secure 6 months' prior written notice of termination of this Agreement (whether or not the Initial Term has expired) in which case Secure will continue to provide the Service at the then subsisting Charges through to the effective date of termination.

5.4 In the event of termination of this Agreement by the Client under the provisions of clause 3 or clause 5.3 the Client will guarantee a payment to Secure for each month of the period of notice of a sum at least equal to the average of the 12 monthly payments made to Secure immediately prior to the giving of such notice. Where such payments have been made over a period of less than 12 months the guaranteed sum as aforesaid shall be at least the average of the monthly payments made to Secure in each such month.

5.5 All sums due to Secure hereunder shall be paid within 14 days following the date of Secure's invoice. If any amounts due to Secure are overdue Secure reserves the right to charge interest on the balance outstanding at the rate of 4% above the then prevailing base lending rate of HSBC Bank plc. for the period that the amount remains due but unpaid.

5.6 All Charges are exclusive of VAT.

6 CLIENT DATA

6.1 The Input, Data and Output shall be and remain the property of the Client.

6.2 Secure undertakes to treat as confidential all the information contained in the Input, Data and Output and shall not without the written consent of the Client divulge the whole or any part thereof save to those employees of the Client having a need to know the same and as may be required by law.

6.3 The Client undertakes that the information contained in the Input and the Data will not contravene any applicable data protection legislation. The Client will indemnify Secure against any actions, proceedings, claims, demands, damages and costs occasioned to Secure as a result of the foregoing undertaking.

7 INTELLECTUAL PROPERTY RIGHTS INDEMNITY

The Client shall indemnify Secure against any claims alleging infringement of any copyright or other intellectual property rights which arise as a result of the storage or processing of the information of the Client provided that:

(a) Secure shall give the Client control of any such claim; and

(b) Secure shall not prejudice the Client's defence of the claim; and

(c) Secure shall give to the Client all reasonable assistance with the claim.

8 LIABILITY AND WARRANTY

8.1 The liability of Secure to the Client for direct loss or damage, howsoever arising, shall be limited to and shall not in any circumstances exceed the amounts paid to Secure by the Client hereunder in the three months preceding the date on which the incident giving rise to the liability occurs.

8.2 Secure shall not in any circumstances be liable to the Client for any consequential or indirect loss or damage howsoever arising and of whatsoever nature.

8.3 The obligation of Secure under this Agreement shall be in lieu of any condition or warranty of any kind whatsoever, express or implied, statutory or otherwise.

9 TERMINATION

9.1 Either party may terminate this Agreement forthwith in the event of any of the following:

(a) the other party being adjudicated bankrupt or going into liquidation (other than voluntarily for the purpose of amalgamation or reconstruction) or having a receiver or administrator appointed over all or any part of its assets;

(b) any breach of this Agreement by the other party which is capable of being remedied remaining unremedied 30 clear days after the day on which a written notice specifying the nature of the breach has been served on that other party;

(c) any breach of this Agreement by the other party which is incapable of being remedied.

9.2 Any termination of this Agreement (howsoever arising) shall not affect any accrued rights or liabilities of either party.

10 POST - TERMINATION

On termination of this Agreement the Client shall have the right to require Secure to deliver to the Client any copies of the Client's Input and Output then in Secure's possession (provided that all Charges due to Secure have been remitted and paid by the Client).

11 GENERAL

11.1 Secure shall not be liable for any delay in performance, or non-performance, of any of its obligations hereunder caused by circumstances beyond Secure's reasonable control (including, without limitation, any form of industrial action).

11.2 The Client may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Secure, such consent not to be unreasonably withheld.

11.3 This Agreement supercedes all prior agreements, arrangements and undertakings between the parties relating to the subject matter hereof. No modification of or addition to this Agreement shall be binding upon the parties unless made in writing and signed by a duly authorised representative of each of the parties.

11.4 If any term or provision in this Agreement shall in whole or in part be held to any extent to be illegal or unenforceable under any enactment or rule of law, that term or provision or part shall to that extent be deemed not to form part of this Agreement and the enforceability of the remainder of this Agreement shall not be effected.

11.5 This Agreement shall be governed by English Law.