

# General Terms and Conditions for Consultancy Services

## 1. Introduction

1.1. These General Terms and Conditions shall apply to LITTLE BEACON's supply of consultancy services in connection with short-term or long-term supply of competence and resources. Any provisions etc. in tender documents or quotations etc. not expressly included in these Terms and Conditions or in the contract documents shall not be binding on the parties.

## 2. Agreement on the individual supply

2.1. A specific supply shall be based on a separate written agreement between the parties or on an enquiry from the Client (e.g., by telephone) – typically in case of short-term supplies. All agreements shall be in writing and shall be based on these General Terms and Conditions. The agreement shall either be signed by both parties or be confirmed in writing by LITTLE BEACON.

2.2 Consultants may also be supplied at pre-agreed intervals or for short periods of time for instance in connection with preventive measures in relation to or maintenance of the Client's system.

2.3 Activities at the Client's premises shall be carried out in accordance with an assignment description or a contract document.

2.4. Contract document shall mean any agreement between the parties, including minutes, assignment descriptions, analysis documents, modification requests, activity lists, confirmations etc. The parties agree that contract documents may be in electronic form.

2.5. As a minimum, contract documents shall contain the following information in relation to the specific assignment:

- The extent and delimitation of the assignment and the expectations for it, including requirements description and the objectives of the solution.
- Specification of price agreement.
- Time schedule.
- Handover criteria and acceptance test.
- Description of the Client's involvement in the implementation of the assignment.

2.6. In case of any objections to the contents of any contract documents, such objections shall be made in writing to the person responsible for the documents within five working days after receipt. Failure to observe this deadline shall result in the right to object being forfeited.

2.7. Consultants shall be selected by LITTLE BEACON on the basis of the nature of the specific assignment and the required knowledge and experience of the consultant. However, for long-term supplies, consultants may be selected in consultation with the Client.

2.8. The services shall be regarded as having been supplied when the consultant has carried out the assignment and it has subsequently been approved by the Client. The approval shall be given immediately after completion or according to an approved plan. The supply shall automatically be regarded as approved if the Client uses it in his day-to-day operations.

## 3. The supply of services

3.1. Services may be performed either by posted consultants or by consultants without posting.

3.2. Consultancy services with posting shall be supplied at the Client's premises. It shall be a prerequisite that the extent of the assignment shall be such that it provides a consultant with full-time employment over a

continuous calendar period of at least one week.

3.3. Consultancy services without posting shall be supplied from LITTLE BEACON's offices, always provided, however, that the services may include meetings, visits to the Client by the consultant etc.

## 4. Other conditions for supplies

4.1. The Client agrees that LITTLE BEACON employees attached to the Client for a period of three months or more may participate in training activities of max. one week's duration at LITTLE BEACON's premises. LITTLE BEACON shall notify the Client of such activities at least 14 days in advance and shall plan such training activities in consultation with the Client. The total training period per year shall not exceed two weeks per consultant without the Client's consent.

4.2. Furthermore, the Client shall accept that LITTLE BEACON's employees participate in departmental meetings at LITTLE BEACON's premises. LITTLE BEACON shall inform the Client prior to such meetings.

4.3. The Client shall accept that the consultant shall be able to take planned holidays as stated in the contract documents and also in accordance with the usual rules of the Danish Holiday Act.

4.4. Furthermore, the Client shall accept that LITTLE BEACON may, at one month's notice, demand that an employee be replaced at the end of the subsequent month. In case of such replacement, LITTLE BEACON shall ensure that a new employee is able to fulfil the qualification requirements applying at any time and agreed between the parties. Similarly, the Client may demand at the same notice that LITTLE BEACON's employees be replaced on the basis of a written reasoned statement, cf. also clause 2.

## 5. Facilities and tools

5.1. If consultancy services are carried out at the Client's premises, the Client shall, free of charge, provide the consultant with the necessary technical material and a place of work with the usual facilities, including access to a telephone, IT equipment, Internet access etc. In this connection usual facilities shall mean that the consultant's place of work shall not be inferior to a similar place of work provided for the Client's own (IT) staff.

## 6. Working hours

6.1. In these Terms and Conditions one working day shall mean 7.4 hours per day excluding breaks, and one working week shall mean 37 hours excluding breaks.

6.2. Working days shall be all weekdays apart from bank holidays, Constitution Day (grundlovsdag), Christmas Eve and 31 December.

## 7. Time recording

7.1. Unless otherwise agreed in the contract documents, the working hours shall be calculated according to the consultant's entries in LITTLE BEACON's time recording system. The parties may agree that a client visit report shall be drawn up and signed by the Client.

## 8. Steering committee

8.1. If the parties wish to set up a steering committee, the composition of such committee shall be agreed between them. As a minimum, such a steering committee shall consist of one representative of each party. These representatives shall be authorised to make binding decisions within the framework of these Terms and

Conditions and any relevant contract documents.

## 9. Payment

9.1. The services shall be paid for according to the prices stated in the contract documents. All prices shall be in EURO (EUR).

9.2. Normal working hours shall be weekdays from 08.30 to 16.00, however, Fridays from 08.30 to 15.30. Unless otherwise stated in the contract documents, overtime shall be paid for any hours exceeding the normal working hours. The following rules shall apply to payment of overtime:

- Weekdays from 16.00 to 22.00 (however, Fridays from 15.30 to 22.00): hourly rate x 1.5.
- Weekdays from 22.00 to 08.30 and weekends and bank holidays: hourly rate x 2.0.
- 5 June and 24. and 31. December shall be regarded as bank holidays.

Visits shall be charged at a minimum of one hour. Telephone support shall be charged at a minimum of 30 minutes.

9.3. All costs in connection with the supply, including travelling, transport and accommodation expenses etc. shall be invoiced to the Client. In Denmark, transport expenses shall be charged in accordance with government mileage rates. Furthermore, transport time shall be invoiced at 50% of the hourly rate as stated in the contract documents.

9.4. Unless otherwise stated in the contract documents, consultancy services shall be invoiced on a continual basis and shall fall due eight days after receipt of a satisfactory invoice.

9.5. All prices used in connection with these Terms and Conditions shall be exclusive of VAT and any other taxes, duties, or charges.

## 10. Default interest

10.1. In case of overdue payments, LITTLE BEACON shall be entitled to charge default interest pursuant to the Danish Interest Act.

## 11. Termination/reduction in resources

11.1. If planned or ongoing work has to be cancelled or reduced at the request of the Client due to circumstances that the Client could not reasonably be expected to have foreseen on ordering or the setting up of the project, the Client shall, at one week's written notice, be entitled to ask LITTLE BEACON to reduce the planned number of staff, including to terminate the specific assignment.

11.2. The request shall state when the Client wishes the relevant LITTLE BEACON consultants to be relieved of their duties.

11.3. LITTLE BEACON shall immediately attempt to transfer the consultants in question to other assignments. If the invoice to a third party for these consultants amounts to less than the amount agreed with the Client, the Client shall pay the difference.

11.4. The Client shall pay the full agreed amount until the consultants in question have been transferred to assignments for other clients. The Client's total maximum payments to LITTLE BEACON in connection with the termination of a specific assignment or reduction in the use of resources shall not exceed the amount specified in the contract documents. The payment concerns the LITTLE BEACON consultants as from the date on which they were relieved of their duties.

# General Terms and Conditions for Consultancy Services

## 12. Reservation of ownership

12.1. Notwithstanding the fact that the Client may acquire ownership, the seller reserves ownership of each supply or partial supply including the product or the result of the consultancy services supplied, and the materials used for the supply etc. Ownership shall be retained until the Client has paid the total purchase sum with the addition of interest and costs and any expenses regarding the services that LITTLE BEACON may have paid on behalf of the Client. As long as the reservation of ownership applies, the Client shall be duly obliged to take care of the supply, including storing and maintaining the supply as directed, and otherwise make no changes of any kind whatsoever to the supply without LITTLE BEACON's written consent. The Client shall not without the consent of LITTLE BEACON move, pledge, let, lend or in any other way dispose of the supply until the reservation of ownership lapses or ceases to exist.

## 13. Confidentiality

13.1. LITTLE BEACON shall notify its employees that any information regarding assignments /projects and the Client's business that is clearly marked confidential when handed over from the Client to LITTLE BEACON shall be treated with at least the same care and secrecy as LITTLE BEACON's own confidential information.

13.2. However, the confidentiality requirement shall not apply to information that is or comes into the public domain, is already known to LITTLE BEACON without a similar confidentiality requirement, has independently been developed by LITTLE BEACON outside the framework of the consultancy framework agreement, has lawfully been received from a third party or concerns general ideas, concepts, know-how or technology regarding data processing.

13.3. The Client is aware that LITTLE BEACON's employees may from time to time be engaged in other similar assignments and the Client accepts this.

## 14. Rights

14.1. The Client shall acquire the same rights in developed or processed material, including source code, documents etc., as the Client had in the original material if such rights do not infringe the rights of a third party.

14.2. If the development or processing concerns material, including source code, documents etc., of which LITTLE BEACON is the rights owner, the Client shall, unless otherwise stated in the contract documents, not acquire a prior right in the developed or processed material, including source code and documentation etc., then he had in the original material.

14.3. The Client accepts that the know-how and experience acquired by the consultant in connection with the project shall accrue to LITTLE BEACON.

14.4. Any already developed software and documentation included in the supply shall be included according to LITTLE BEACON's relevant licence conditions and list prices applying at any time.

14.5. If the supply contains products from a third party, the Client shall enter into an agreement on the supply of such products directly with that third party or its Danish representative, and the Client shall thus acquire rights and guarantees in accordance with the third party's conditions.

## 15. Force majeure

15.1. Under these Terms and Conditions neither party shall be liable to the other party if such liability is due to circumstances

beyond the reasonable control of that party. However, either party shall be entitled to cancel a supply agreement if the supply is delayed by more than 90 days due to such circumstances.

## 16. Exportation

16.1. All supplies under these Terms and Conditions shall be according to and conditional upon LITTLE BEACON obtaining the export licences or permits required pursuant to the export legislation of the recipient country. Regardless of whether the Client did inform LITTLE BEACON in his order that the final destination of the supply was outside Denmark, the Client shall be responsible for obtaining the necessary permits from the authorities in the recipient country and Denmark prior to the re-exportation of such products, documentation or systems.

## 17. Competition

17.1. The Client shall not actively employ or in any other way engage LITTLE BEACON's consultants without the consent of LITTLE BEACON. These provisions shall apply until 12 months after the termination of an agreement. In case of non-observance of this provision, the Client shall for each violation pay LITTLE BEACON liquidated damages of EUR 100,000 payable immediately.

In the above situation, LITTLE BEACON may apply for an injunction without security requirement.

17.2. Payment of liquidated damages shall not entitle the Client to continue the situation, nor shall the payment cause this provision to lapse.

## 18. Warranty and coverage period

18.1. LITTLE BEACON shall fulfil its supplies in accordance with good practice within the IT industry and shall warrant that the consultants have the stated qualifications. Furthermore, LITTLE BEACON shall warrant that the supply meets the specifications stated in the contract documents.

18.2. The coverage period for software developed under the contract documents shall expire 90 days after having passed the acceptance test. If a fault is rectified during the coverage period, the warranty for this rectification shall expire 30 days after the completion of the rectification. However, the coverage period shall at the earliest expire at the same time as the coverage period for the original supply.

18.3. The coverage period for other software, including standard software, shall be according to the producer' guidelines as stated in the licence conditions, warranty conditions etc.

## 19. Defects

19.1. LITTLE BEACON's supplies shall be defective if they do not fulfil the warranties or if in other respects, they do not meet reasonable expectations, and this was or should have been known by LITTLE BEACON.

## 20. Rectification

20.1. Any defects in LITTLE BEACON's services claimed during the coverage period shall be rectified as soon as possible. LITTLE BEACON shall rectify such defects free of charge, perhaps through the supply of supplementary software, documentation and/or consultancy services.

20.2. The rectification shall be in accordance with the above warranties and any reasonable expectations. The rectification shall be carried out so as to interrupt the Client's operations and use of the supply as little as possible.

20.3. In case of faults or defects in supplied standard software, LITTLE BEACON's warranties shall be limited to the immediate reporting of faults or defects to the producer of the software in question. In this connection, LITTLE BEACON shall attempt to reduce the extent of the problem until the producer has delivered a rectified version or provided a relevant circumvention of the problem. After the expiry of the coverage period, the above services shall be charged at the normal hourly rates according to the contract documents.

## 21. Limitation of liability

21.1. LITTLE BEACON's liability shall in any and all respects be limited to the lower of the following two amounts: a) the total payment according to the relevant contract documents or b) EUR 100,000, say one hundred thousand EURO (EUR).

21.2. LITTLE BEACON shall not be liable in any way whatsoever for any consequential loss, including operating loss, loss of time, loss of profit or loss of data, or any indirect loss.

## 22. Matters relating to the Client

22.1. LITTLE BEACON shall not be liable for faults, delays or operational failure resulting from a) a breach on the part of the Client, b) reckless behaviour on the part of the Client, c) a breach on the part of the Client's other suppliers, d) incorrect use by the Client of software or equipment, including use of software and equipment in another way or for another purpose than originally intended.

22.2. If the Client carries out changes to software or equipment or have such changes carried out or connects/installs other equipment/software affecting the supplied services without the consent of LITTLE BEACON, LITTLE BEACON shall be entitled to be released from any future obligations in relation to the supplies, including any rectification of defects and any maintenance in so far as this is reasonably justified. If the Client restores the original situation, LITTLE BEACON's guarantees shall again become effective. LITTLE BEACON shall be entitled to check that the original situation has been recreated and to charge the Client according to the contract documents.

## 23. Sub-suppliers

23.1. LITTLE BEACON shall be entitled to fulfil its obligations in full or in part by using sub-suppliers. Unless otherwise agreed, LITTLE BEACON shall be liable for the services of its sub-suppliers in the same way as for its own services.

## 24. Non-prejudicial derogation

24.1. In case of derogation from one or more provisions of these Terms and Conditions or the contract documents following agreement between the parties, such derogation shall not be relied upon to claim that these Terms and Conditions or the contract documents have lapsed.

## 25. Breach of agreement

25.1. If either party commits serious breach of its obligations under these Terms and Conditions or the Agreement, the other party shall be entitled to terminate the Agreement according to the following guidelines:

- If serious breach is ascertained, the party not in breach shall send the party in breach a registered letter regarding the circumstances constituting the breach and stating that the Agreement will be terminated.
- If the party in breach has not taken steps to rectify the situation within eight days after the date of the letter.
- If the party in breach fails to take steps to stop the breach within the above deadline, the other party shall be entitled to

# General Terms and Conditions for Consultancy Services

terminate the Agreement in writing without notice.

25.2. If LITTLE BEACON commits any breach, the Client shall be entitled to demand that a proportional part of any remuneration paid in advance for the current payment period be refunded. Such proportional part shall be calculated from the ascertainment of the breach.

25.3. If the Client commits any breach, LITTLE BEACON shall be entitled to invoice the Client for the hours or periods spent until the time of the breach. Furthermore, LITTLE BEACON may invoice the Client for hours already planned according to agreement.

25.4. Apart from the above, neither party shall be entitled to raise any claims against the other party.

## **26. Modifications to the agreement complex**

26.1. If either party wishes to modify these Terms and Conditions, both parties shall be in agreement on this, and such modifications shall only be valid if they are contained in a written addendum signed by both parties.

## **27. Cancellation**

27.1. Either party may at his own option wholly or partly cancel an agreement, cf. a contract document, if the other party commits serious breach of his obligations in relation to the fulfilment hereof.

## **28. Settlement on cancellation**

28.1. In case of cancellation, the outstanding account between the parties shall be settled pursuant to the general rules of Danish law, including as regards a) the agreed limitation of liability and b) the general duty to mitigate damages.

## **29. Mandatory statutory provisions**

29.1. If, due to mandatory rules, one or more of the provisions of these Terms and Conditions or a contract document shall be regarded at wholly or partly invalid, this shall not affect the validity of the other provisions of these Terms and Conditions or the contract document, which shall remain in force, and as regards the invalid provision, the parties shall endeavour to achieve a legal position as close as possible to that of the invalid provision.

## **30. Applicable law and disputes**

30.1. This Agreement shall be governed by Danish law and, unless otherwise stated, the general rules of Danish law shall apply to the relationship between the parties.

30.2. The parties shall attempt to settle any disputes regarding the performance, interpretation, or fulfilment of the contract documents through negotiation.

30.3. If the parties fail to settle a dispute within 14 days after a written request for negotiation has been submitted with reference to sub-clause 30.2, the dispute may be brought before the ordinary courts with the Maritime and Commercial Court as the venue of the first instance.