

SOFTWARE LICENSE AGREEMENT

DATE

PARTIES

- 1. [INSERT FULL LEGAL NAME], company number [insert company number], a company incorporated in [insert] whose registered office is at [insert] (**Licensor**)
- 2. [INSERT FULL LEGAL NAME], company number [insert company number], a company incorporated in [insert] whose registered office is at [insert] (**Licensee**)

SECTION A: AGREEMENT AND KEY DETAILS

AGREEMENT

The Licensor agrees to license the Software to the Licensee on the terms of the Agreement. The Agreement comprises:

- Section A (Agreement and Key Details), including this cover page and the signature clauses; and
- Section B (General Terms, including the Schedule).

KEY DETAILS

[Note: This section should include all of the “license specific” details relating to the Software in sufficient detail to provide certainty to both parties.]

Software

[Insert, including the name of the Software, the version number and a general description of the Software’s functionality].

Approved Purpose

The Licensee may use the Software solely for [the Licensee’s lawful internal business purposes]. [Note: To obtain better protection under the Agreement, the Approved Purpose should be specific. Depending on the individual circumstances, you may need to modify this clause to impose further restrictions – e.g., to require the Software to be installed only on specified equipment, to limit the number of CPUs on which the Software may be used, and/or to limit the maximum number of users (seats) that may use the Software.]

Start Date

[On the date both parties sign the Agreement/ [Insert date]]. [Note: The Start Date is often the date of the Agreement. However, in some cases the parties may wish to provide that the Agreement will take effect from a future date.]

End Date

[Insert date]. [Note: Where no End Date is stated, the default position under clause 10 is that the Agreement rolls over periodically until the Agreement is terminated.]

Fees and Payment Terms

License

Fees	Invoice date	Payment date
[Currency][Value]	[Insert date]	[Insert date]

Support Services

Fees	Invoice date	Payment date
[Currency][Value]	[Insert date]	[Insert date]

[Note: Where no invoice date and payment date are stated, the default position in clause 5 applies (namely, invoice monthly in advance and payment on the 20th of the month after date of invoice). Other relevant fee information should be included in this section.]

Territory

[Insert]

Warranty Period

[Insert] days from the Start Date. [Note: This period would usually be up to 90 days but not longer.]

Signed

SIGNED for and on behalf of [INSERT)
FULL LEGAL NAME] by:)

Authorised Signatory

Print Full name

SIGNED for and on behalf of [INSERT)
FULL LEGAL NAME] by:)

Authorised Signatory

Print Full name

SECTION B: GENERAL TERMS

1. Interpretation

1.1 Definitions: In this Agreement, the following terms have the stated meaning:

“*Agreement*” means the Section A (Agreement and Key Details, including the cover page and signature clauses) and Section B (General Terms, including the Schedule).

“*Approved Purpose*” means the approved purpose set out in the Key Details.

“*Confidential Information*” means the terms of the Agreement and any information that is not public knowledge and that is obtained from the other party in the course of, or in connection with, the Agreement. The Licensor’s Confidential Information includes the Software and the Documentation.

“*Documentation*” means the user and technical documentation designed to enable the Licensee to properly use and operate the Software (if any), and includes any update of the documentation.

“*End Date*” means the end date set out in the Key Details.

“*Fees*” means the fees set out in the Key Details.

“*Force Majeure*” means an event that is beyond the reasonable control of a party, excluding:

- a. an event to the extent that it could have been avoided by a party taking reasonable steps or reasonable care; or
- b. a lack of funds for any reason.

“*GST*” means goods and services tax within the meaning of the [*GST/VAT Scheme of your Country*].

“*Intellectual Property Rights*” includes copyright, and all rights existing anywhere in the world conferred under statute, common law or equity in relation to inventions (including patents), registered and unregistered trademarks and designs, circuit layouts, data and databases, confidential information, know-how, and all other rights resulting from intellectual activity. *Intellectual Property* has a consistent meaning, and includes any enhancement, modification or derivative work of the Intellectual Property.

“*Key Details*” means the Agreement specific details set out in Section A of the Agreement.

“*Payment Terms*” means the payment terms set out in the Key Details (if any).

“*Software*” means the software set out in the Key Details, including any Update.

“*Start Date*” means the start date set out in the Key Details.

“*Support Services*” means the support services described in the Schedule.

“*Territory*” means the territory set out in the Key Details.

“*Update*” means a new version of the existing Software released to the Licensee by the Licensor and intended to provide bug fixes and resolve other technical issues without providing new features or additional functionality [and as indicated by a change in the [insert identifying code details which are amended with new versions e.g., numeral suffix of the product code]].

“*Warranty Period*” means the period set out in the Key Details.

“*Year*” means a 12-month period commencing on the Start Date or any anniversary of the Start Date.

1.2 Interpretation: In the Agreement:

- a. clause and other headings are for ease of reference only and do not affect the interpretation of the Agreement;
- b. words in the singular include the plural and vice versa;
- c. a reference to:
 - i. a party to the Agreement includes that party's permitted assigns;
 - ii. personnel includes officers, employees, contractors and agents, but a reference to the Licensee's personnel does not include the Licensor;
 - iii. a person includes an individual, a body corporate, an association of persons (whether corporate or not), a trust, a government department, or any other entity;
 - iv. including and similar words do not imply any limit; and
 - v. a statute includes references to regulations, orders or notices made under or in connection with the statute or regulations and all amendments, replacements or other changes to any of them;
- d. no term of the Agreement is to be read against a party because the term was first proposed or drafted by that party; and
- e. if there is any conflict between Section B and Section A of the Agreement, Section B prevails unless expressly stated otherwise in Section A.

2. License

The Licensor grants to the Licensee, and the Licensee accepts, a non-exclusive and non-transferable licence for the duration of the Agreement to use the Software and the Documentation solely for the Approved Purpose within the Territory and on the terms and conditions of the Agreement.

3. License Conditions

3.1 Conditions: The Licensee must:

- a. use the Software and the Documentation for lawful purposes only and must not copy (except making a single copy for the Licensee's own back-up purposes), reproduce, translate, decompile, reverse-engineer, resell, modify, vary, sub-license or otherwise deal in the Software or the Documentation except:
 - i. as expressly provided for in the Agreement; or
 - ii. to the extent expressly permitted by any law or treaty that is in force in the Territory where that law or treaty cannot be excluded, restricted or modified by the Agreement;
- b. ensure the Software and the Documentation are protected at all times from misuse, damage, destruction or any form of unauthorised use, copying or disclosure;
- c. maintain all proprietary notices on the Software and the Documentation;
- d. not transfer, assign or otherwise deal with or grant a security interest in the Software, the Documentation or the Licensee's rights under the Agreement;
- e. not challenge the Licensor's ownership, or the validity, of the Software, the Documentation or any other item or material created or developed by or on behalf of the Licensor under or in connection with the Agreement (including the Intellectual Property Rights in those items); and
- f. notify the Licensor in writing immediately after it becomes aware of any circumstance which may suggest that any person may have unauthorised knowledge, possession or use of the Software or the Documentation.

4. Support Services

The Licensor must provide the Licensee with the Support Services in accordance with the Schedule, provided the Licensee has:

- a. paid all Fees due;
- b. maintained a proper operating environment for the use of the Software in accordance with any guidance from the Licensor, including in the Documentation; and
- c. complied with the Agreement and the Documentation.

5. Fees [Note: This Agreement assumes that the Fees will not change during the term of the Agreement.]

5.1 Fees: The Licensee must pay the Fees to the Licensor for the Software license under the Agreement and for the provision of the Support Services.

5.2 Invoicing and payment:

- a. The Licensor must provide the Licensee with valid [*GST/VAT Scheme of your Country*] tax invoices on the dates set out in the Payment Terms, or if there are none, monthly in advance for the Fees due in the following month.
- b. The Fees exclude [*GST/VAT Scheme of your Country*], which the Licensee must pay on taxable supplies under the Agreement.
- c. The Licensee must pay the Fees:
 - i. on the dates set out in the Payment Terms, or if there are none, by the 20th of the month following the date of invoice; and
 - ii. electronically in cleared funds without any set off or deduction except to the extent required by law. If the Licensee is required by law to make any deduction, the Licensee must pay the Licensor any additional amount that is necessary to ensure receipt by the Licensor of the full amount which the Licensor would have received but for the deduction.

5.3 Overdue amounts: The Licensor may charge interest on overdue amounts. Interest will be calculated from the due date to the date of payment (both inclusive) at an annual percentage rate equal to the corporate overdraft reference rate (monthly charging cycle) applied by the Licensor's primary trading bank as at the due date (or if the Licensor's primary trading bank ceases to quote such a rate, then the rate which in the opinion of the bank is equivalent to that rate in respect of similar overdraft accommodation expressed as a percentage) plus 2% per annum.

6. Intellectual Property

6.1 Retained Intellectual Property: Subject to clauses 6.2 and 6.3, the following Intellectual Property remains the property of the current owner:

- a. Intellectual Property that existed prior to the Start Date; and
- b. Intellectual Property that was developed independently of the Agreement.

6.2 Software and related IP: From the date of creation or development, the Licensor owns all Intellectual Property Rights in:

- a. the Software and the Documentation; and
- b. any other item or material created, developed or provided by or on behalf of the Licensor under or in connection with the Agreement.

6.3 Feedback: If the Licensee provides the Licensor with ideas, comments or suggestions relating to the Software or the Documentation (together feedback):

- a. all Intellectual Property Rights in that feedback, and anything created as a result of that feedback (including new material enhancements, modifications or derivative works), are owned solely by the Licensor; and
 - b. the Licensor may use or disclose any feedback for any purpose.
- 6.4 IP indemnity: [Note: This is the only indemnity provided by the Licensor. The indemnity protects the Licensee against claims by third parties that the Software infringes those third parties' intellectual property rights. The scope of the indemnity will depend on the negotiating power of the parties.]
 - a. The Licensor indemnifies the Licensee against any claim or proceeding brought against the Licensee in the Territory to the extent that claim or proceeding alleges that the Licensee's use of the Software in accordance with the Agreement constitutes an infringement of a third party's Intellectual Property Rights in the Territory (IP Claim). The indemnity is subject to the Licensee:
 - i. promptly notifying the Licensor in writing of any IP Claim;
 - ii. making no admission of liability and not otherwise prejudicing or settling the IP Claim, without the Licensor's prior written consent; and
 - iii. giving the Licensor complete authority and information required for the Licensor to conduct and/or settle the negotiations and litigation relating to the IP Claim. The costs incurred or recovered are for the Licensor's account.
 - b. The indemnity in clause 6.4a does not apply to the extent that an IP Claim arises from or in connection with:
 - i. the Licensee's breach of the Agreement;
 - ii. the use of the Software in a manner or for a purpose not reasonably contemplated by the Agreement or otherwise not authorised in writing by the Licensor;
 - iii. any third-party data or data owned by the Licensee; or
 - iv. modification or alteration of the Software by a person other than the Licensor.
 - c. If at any time an IP Claim is made, or in the Licensor's reasonable opinion is likely to be made, then in defence or settlement of the IP Claim, the Licensor may (at the Licensor's option):
 - i. obtain for the Licensee the right to continue using the items that are the subject of the IP Claim; or
 - ii. modify, re-perform or replace the items that are the subject of the IP Claim so they become non-infringing.

7. Confidentiality

- 7.1 Security: Each party must, unless it has the prior written consent of the other party:
 - a. keep confidential at all times the Confidential Information of the other party;
 - b. effect and maintain adequate security measures to safeguard the other party's Confidential Information from unauthorised access or use; and
 - c. disclose the other party's Confidential Information to its personnel or professional advisors on a need to know basis only and, in that case, ensure that any personnel or professional advisor to whom it discloses the other party's Confidential Information is aware of, and complies with, the provisions of clause 7.1a and 7.1b.

- 7.2 Permitted disclosure: The obligation of confidentiality in clause 7.1 does not apply to any disclosure or use of Confidential Information:
- a. for the purpose of performing the Agreement or exercising a party's rights under the Agreement;
 - b. required by law (including under the rules of any stock exchange);
 - c. which is publicly available through no fault of the recipient of the Confidential Information or its personnel;
 - d. which was rightfully received by a party to the Agreement from a third party without restriction and without breach of any obligation of confidentiality; or
 - e. by the Licensor if required as part of a bona fide sale of its business (assets or shares, whether in whole or in part) to a third party, provided that the Licensor enters into a confidentiality agreement with the third party on terms no less restrictive than this clause 7.

8. Warranties

- 8.1 Mutual warranties: Each party warrants that it has full power and authority to enter into and perform its obligations under the Agreement which, when signed, will constitute binding obligations on the warranting party.
- 8.2 Licensor warranties: The Licensor warrants that:
- a. to the best of its knowledge, the use of the Software by the Licensee in accordance with the Agreement will not infringe the Intellectual Property Rights of any other person; and
 - b. during the Warranty Period, the Software will materially perform in conformity with the Documentation although the Licensee acknowledges that the Software is of a technical nature and may not be error-free or bug-free.
- 8.3 Breach of warranty: Subject to clause 8.4, if the Software does not meet the warranty in clause 8.2b, the Licensor must, at its option and cost, remedy, repair, enhance or replace the defective item so that the Software meets and satisfies that warranty. The remedy, repair, enhancement or replacement of a defective item as described in this clause will be the Licensee's sole remedy against the Licensor for a breach of warranty under clause 8.2b.
- 8.4 Exclusion of warranty cover: The Licensor is not obliged to remedy, repair, enhance or replace any defective item under clause 8.3 to the extent that the defect arises from or in connection with:
- a. modification or alteration of the Software by any person other than the Licensor; or
 - b. breach of the Agreement by the Licensee, including use of the Software by the Licensee or its personnel in a manner or for a purpose not reasonably contemplated by the Agreement or not authorised in writing by the Licensor.
- 8.5 No implied warranties: To the maximum extent permitted by law:
- a. the Licensor's warranties are limited to those set out in the Agreement and all other conditions, guarantees or warranties whether expressed or implied by statute or otherwise are expressly excluded and, to the extent that they cannot be excluded, liability for them is limited to [*Currency*][*Value*]; and
 - b. the Licensor makes no representation concerning the quality of the Software or the Support Services, and does not promise that the Software will be error-free, bug-free, or will operate without interruption.

8.6 Consumer protection law: The Licensee agrees and represents that it is acquiring the Software and the Support Services, and entering the Agreement, for the purposes of trade. The parties agree that:

- a. to the maximum extent permissible by law, any applicable consumer protection law does not apply to the supply of the Software or the Support Services, or the Agreement; and
- b. it is fair and reasonable that the parties are bound by this clause 8.6.

9. Liability

9.1 Maximum liability: The maximum aggregate liability of the Licensor under or in connection with the Agreement or relating to the Software or the Support Services, whether in contract, tort (including negligence), breach of statutory duty or otherwise, must not in any Year exceed [insert cap e.g. an amount equal to the Fees paid by the Licensee under the Agreement in the previous Year (which in the first Year is deemed to be the total Fees paid by the Licensee from the Start Date to the date of the first event giving rise to liability)]. The cap in this clause 9.1 includes the cap set out in clause 8.5a.

9.2 Unrecoverable loss: Neither party is liable to the other under or in connection with the Agreement for any:

- a. loss of profit, revenue, savings, business, data and/or goodwill; or
- b. consequential, indirect, incidental or special damage or loss of any kind.

9.3 Unlimited liability:

- a. Clauses 9.1 and 9.2 do not apply to limit the Licensor's liability:

- i. under the indemnity in clause 6.4a; or
- ii. under or in connection with the Agreement for:
 - personal injury or death;
 - fraud or wilful misconduct; or
 - a breach of clause 7.

- b. Clause 9.2 does not apply to limit the Licensee's liability:

- i. to pay the Fees; or
- ii. under or in connection with the Agreement for:
 - breach of clause 2 or 3; or
 - those matters stated in clause 9.3a ii.

9.4 No liability for other's failure: Neither party will be responsible, liable, or held to be in breach of the Agreement for any failure to perform its obligations under the Agreement or otherwise, to the extent that the failure is caused by the other party failing to comply with its obligations under the Agreement, or by the negligence or misconduct of the other party or its personnel.

9.5 Mitigation: Each party must take reasonable steps to mitigate any loss or damage, cost, or expense it may suffer or incur arising out of anything done or not done by the other party under or in connection with the Agreement.

10. Term and Termination

10.1 Duration: Unless terminated under this clause 10, the Agreement:

- a. starts on the Start Date and ends on the End Date; but

- b. where there is no End Date, continues for successive terms of [insert term e.g., 12 months] from the Start Date unless a party gives at least [insert period e.g., 60 days'] notice that the Agreement will terminate on the expiry of the then-current term.

10.2 Termination rights:

- a. Either party may, by notice to the other party, immediately terminate the Agreement if the other party:
 - i. breaches any material provision of the Agreement and the breach is not:
 - remedied within 10 days of the other party notifying it of the breach; or
 - capable of being remedied;
 - ii. becomes insolvent, liquidated or bankrupt, has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed, becomes subject to any form of insolvency action or external administration, or ceases to continue business for any reason; or
 - ii. is unable to perform a material obligation under the Agreement for 30 days or more due to Force Majeure.
- b. The Licensor may, by notice to the Licensee, immediately terminate the Agreement if:
 - i. the remedies in clause 6.4c are exhausted without remedying or settling the IP Claim; or
 - ii. the Licensee fails to install an Update in accordance with section 4 of the Schedule.

10.3 Consequences of termination or expiry:

- a. Termination or expiry of the Agreement does not affect either party's rights and obligations accrued before that termination or expiry.
- b. On termination or expiry of the Agreement, the Licensee must pay all Fees for the rights and services provided prior to that termination or expiry.
- c. Each party must, at the other party's request following the termination or expiry of the Agreement, return to the other party or destroy all Confidential Information of the other party (including, in the case of the Licensee, the Software and Documentation) in the first party's possession or control.

10.4 Obligations continuing: Clauses which, by their nature, are intended to survive termination or expiry of the Agreement, including clauses 6, 7, 9, 10.3, 10.4, 11, and 12, continue in force.

11. Governing Law

The Agreement, and any disputes or claims arising from or in connection with it, will be governed by, and interpreted in accordance with, the law of [Country].

12. Dispute Resolution

- 12.1 Dispute: If any dispute, controversy or claim (Dispute) arises out of or relating to this Agreement, or to the interpretation, breach, termination or validity of this Agreement, the parties to the Dispute (Disputing Parties) must use their best efforts to resolve the Dispute through consultation or mediation. The consultation or mediation between the Disputing Parties must begin as soon as practicable after one Disputing Party has delivered to the other Disputing Party or Parties a written notice setting out the matter of the Dispute (Dispute Notice).
- 12.2 Arbitration: If a Dispute is not settled under clause 12.1 within 30 days after the date of the relevant Dispute Notice, the Dispute must be referred to and resolved by arbitration in

[Country] in accordance with the Rules of the [Arbitration Centre]. The tribunal will consist of one arbitrator, to be appointed by the President of the [Arbitration Centre]. The language of the arbitration will be English.

- 12.3 [Arbitration Centre] Rules: The [Arbitration Centre] Rules are deemed to be incorporated by reference in this clause 12. However, to the extent that the [Arbitration Centre] Rules are in conflict with the provisions of this clause 12, the provisions of this clause 12 will prevail.

13. General

- 13.1 Force majeure: Neither party is liable to the other for any failure to perform its obligations under the Agreement to the extent caused by Force Majeure, provided that the affected party:
- immediately notifies the other party and provides full information about the Force Majeure;
 - uses best efforts to overcome the Force Majeure; and
 - continues to perform its obligations to the extent practicable.
- 13.2 Waiver: To waive a right under the Agreement, that waiver must be in writing and signed by the waiving party.
- 13.3 Independent contractor: The Licensor is an independent contractor of the Licensee. No other relationship (e.g., joint venture, agency, trust or partnership) exists under the Agreement.
- 13.4 Notices: A notice given by a party under the Agreement must be delivered to the other party via email to an email address notified by the other party for this purpose. If the notice is a notice of termination, a copy of that email must be immediately delivered (by hand or courier) to the Chief Executive or equivalent officer of the other party at the other party's last known physical address.
- 13.5 Severability:
- If any provision of the Agreement is, or becomes, illegal, unenforceable or invalid, the relevant provision is deemed to be modified to the extent required to remedy the illegality, unenforceability or invalidity.
 - If modification under clause 13.5a is not possible, the provision must be treated for all purposes as severed from the Agreement without affecting the legality, enforceability or validity of the remaining provisions of the Agreement.
- 13.6 Variation: Any variation to the Agreement must be in writing and signed by both parties.
- 13.7 Entire agreement: The Agreement sets out everything agreed by the parties relating to the Software licence and the Support Services and supersedes and cancels anything discussed, exchanged or agreed prior to the Start Date. The parties have not relied on any representation, warranty or agreement relating to the Software licence and the Support Services that is not expressly set out in the Agreement, and no such representation, warranty or agreement has any effect from the Start Date. Without limiting the previous sentence, the parties agree that it is fair and reasonable that the parties are bound by this clause 13.7.
- 13.8 No assignment:
- The Licensee may not assign, novate, subcontract or transfer any right or obligation under the Agreement without the prior written consent of the Licensor, that consent not to be unreasonably withheld. The Licensee remains liable for its obligations under the Agreement despite any approved assignment, subcontracting or transfer. Any assignment, novation, subcontracting or transfer must be in writing.

- b. Any change of control of the Licensee is deemed to be an assignment for which the Licensors prior written consent is required under clause 13.8a. In this clause, change of control means any transfer of shares or other arrangement affecting the Licensee or any member of its group which results in a change in the effective control of the Licensee.

13.9 Counterparts: The Agreement may be signed in counterparts, each of which constitutes an original and all of which constitute the same agreement. A party may enter the Agreement by signing and emailing a counterpart copy to the other party.

[Note: The Schedule includes basic support services that a Licensor may wish to consider providing for a fee. The services cover basic assistance for the Licensee. The more complex the software, and the higher the licence fee, the more likely it is that the Licensee will require greater support (e.g., commitment to bug fixes, service levels, etc.). The level of support fee should reflect the level of support provided – the greater the fee, the greater the expectation of support.]

SCHEDULE

Support Services

The Schedule sets out the terms on which the Licensor will provide Support Services to the Licensee for the duration of the Agreement.

1. For so long as the Licensee pays all Fees, and subject to the conditions in sections 3 and 4 of the Schedule, the Licensor must perform the Support Services.
2. Where the Licensee considers on reasonable grounds that the Software is not materially performing in conformity with the Documentation, the Licensor must:
 - a. provide telephone and email support in the form of consultation, assistance and advice; and
 - b. use reasonable efforts to assist in the resolution of the issue (taking into account the nature and severity of the issue).
3. The provision of support by the Licensor under section 2 of the Schedule is conditional on the Licensee:
 - a. first using reasonable efforts to resolve the issue by referring to the Documentation; and
 - b. contacting the Licensor during its business hours (Monday to Friday from [*Time*] to [*Time*], excluding public holidays in [insert location of Licensor]) via one of the following methods:

Telephone: [insert]

Email: [insert]
4. The Licensor may, at its discretion, from time to time provide the Licensee with Updates, in which case the terms set out below will apply.
 - a. Where the Licensor provides an Update, the Licensee must promptly install the Update.
 - b. Without limiting clause 10.2bii, if the Licensee fails to install the Update, the Licensor may, at its option:
 - i. cease providing the Support Services; or
 - ii. increase the Fees with immediate effect by an amount the Licensor considers reasonable to cover any additional cost of the Licensor continuing to provide the Support Services.
5. Nothing in the Agreement requires the Licensor to provide Support Services where the support is required as a result of a circumstance described in clause 8.4a or 8.4b.