

Standard Terms

General terms of the Master Services Agreement and standard Schedules. Version 2026-10 (draft for review), 23 October 2026. shavedmonkeys.nz/terms

These Standard Terms apply as set out in our Terms of Business. Where there is no signed agreement, they apply as if signed, with your quote, proposal or order taking the place of Schedule 1 and any Statement of Work. "Provider" means UM Limited trading as Shaved Monkeys. "Client" means you.

Where you are a consumer rather than a business, nothing in these terms takes away rights you have under New Zealand law that can't be excluded. How we handle personal information is on our Privacy & Security page.

GENERAL TERMS

Parties and background

These Standard Terms are the general terms of the Shaved Monkeys Master Services Agreement (**Agreement**). They are made between:

A. UM Limited, trading as Shaved Monkeys, NZBN 9429030519329, Auckland, New Zealand (**Provider**); and

B. the client named in the quote, proposal, order or signed Schedule 1 for the engagement (**Client**),

each a **party** and together the **parties**.

Background

C. The Provider provides the services described in the Services Schedule (Schedule 2) for its Shaved Monkeys business.

D. The Client wishes to engage the Provider for those services on the terms of this Agreement, its Schedules and any Statement of Work.

E. This Agreement sets out general terms that apply to every engagement. The commercial particulars, services and charges for a specific engagement are recorded in the Schedules, which may be completed, added to or replaced by written agreement without amending these general terms.

F. The parties intend a trusted, confidential and collaborative relationship in which the Client retains decision-making responsibility, and implementation responsibility rests with the Client except to the extent Schedule 2 or a Statement of Work expressly gives it to the Provider.

1. Definitions and interpretation

1.1 In this Agreement:

Additional Charges means the charges described in clause 10.1, payable in addition to the Fees.

AI System means any artificial intelligence, machine-learning, large-language-model, automation, agent or similar platform or service used in connection with the Services.

Business Day means a day other than a Saturday, Sunday or public holiday in Auckland, New Zealand.

Client Data means all data, materials, records and Confidential Information supplied by or on behalf of the Client Group, or accessed or generated specifically for the Client Group in providing the Services.

Client Group means the Client and each other entity identified as a covered entity in Schedule 1. The Client remains responsible for all instructions, access, Fees and other obligations relating to Services supplied for the Client Group.

Commencement Date means the date on which the Services begin, as stated in Schedule 1.

Confidential Information means information that is confidential by nature, marked confidential, or which a reasonable person would understand to be confidential, including commercial, financial, customer, personnel, technical, security, strategic and operational information, but excluding information within clause 13.3.

Provider Materials has the meaning given in clause 15.2.

Deliverable means a report, roadmap, policy, presentation, recommendation or other work product expressly identified for delivery under a Schedule or Statement of Work.

Effective Date means the date stated as the Effective Date in Schedule 1.

Fees means the monthly retainer and any other fees stated in Schedule 1 or a Statement of Work, excluding Additional Charges.

Implementation Services means operational, technical, development, build, configuration, deployment, support or other execution work, as distinct from strategic advice and direction.

Initial Period means the period of twelve (12) months beginning on the Commencement Date.

Intellectual Property Rights means all copyright, trade marks, designs, patents, trade secrets, know-how and other intellectual property rights, whether registered or unregistered.

Pass-Through Costs means costs payable to third parties that the Provider incurs for the Client with the Client's approval, including AI System usage, software, licences, subscriptions, hosting, cloud consumption and third-party services.

Services means the services described in Schedule 2 and any signed Statement of Work.

Statement of Work means a document describing additional or project-based work that refers to this Agreement and is agreed in writing by authorised representatives of both parties.

Virtual CTO Score means, where the Virtual CTO Schedule (Schedule 4) applies, the Provider's technology maturity assessment, scored from 0 to 100, described in that Schedule.

- 1.2 Headings are for convenience only. "Including" does not limit what follows. The singular includes the plural and vice versa. A reference to writing includes email. Nothing in this Agreement is to be interpreted against a party because that party prepared it.
- 1.3 If there is an inconsistency, the following order of precedence applies: (a) a Statement of Work, but only for the specific Services it covers and only to the extent it expressly identifies the provision being varied; (b) Schedule 1, for the commercial particulars it records; (c) the general terms in clauses 1 to 25, except that Schedule 5 (Software licence and hosting), where it applies, prevails over clauses 9.5, 15 and 21.7(d) to the extent it expressly varies them; and (d) the remaining Schedules.

2. Structure, appointment and term

- 2.1 The Client appoints the Provider to provide the Services, and the Provider accepts that appointment, from the Commencement Date.
- 2.2 This Agreement is a master agreement. The engagement-specific details are recorded in the Schedules. Additional Schedules and Statements of Work may be added under clause 25.6 and form part of this Agreement once agreed.
- 2.3 The Services may be supplied for the benefit of any member of the Client Group. A Client Group member is not required to sign a separate agreement, but the Client remains the contracting party and is responsible for the Client Group's compliance with the Client's obligations.
- 2.4 At each quarterly review the parties will review the covered entities and the workload they generate. If an entity joins the Client Group, or an existing entity grows or changes so that the scale, complexity, risk or required output of the engagement increases or decreases materially, either party may request an adjustment. The parties will agree in good faith whether to address it by reprioritisation within the existing Fees or by a written variation to scope, resourcing or Fees. No adjustment applies without written agreement.
- 2.5 This Agreement continues until terminated under clause 21.
- 2.6 The appointment is non-exclusive. Each party may engage or provide services to others, provided the Provider complies with its confidentiality and conflict obligations.

3. Nature and standard of Services

- 3.1 The Services are the services described in Schedule 2. The Provider will provide them with the reasonable skill, care and diligence expected of a competent provider of services of that kind.
- 3.2 The Provider is not appointed as the Client's employee, operational IT provider, managed service provider, systems administrator, helpdesk, software developer or implementation resource unless Schedule 2 or a Statement of Work expressly includes that role.
- 3.3 The Provider may decide the methods, sequencing and tools used to perform the Services, subject to agreed priorities, security requirements and lawful Client policies notified in advance.
- 3.4 The Provider has no authority to bind the Client, enter contracts for the Client, commit expenditure, direct employees in an employment capacity or make final business decisions, unless the Client gives specific written authority.

4. Scope and delivery phases

- 4.1 The Services comprise the activities in Schedule 2, as reasonably prioritised between the Provider and the Client's nominated representative.
- 4.2 The Provider may identify and recommend changes (for example, security controls, multi-factor authentication, architecture changes, cloud optimisation or process automation), but implementation remains the responsibility of the Client or separately engaged implementers, except to the extent Schedule 2 or a Statement of Work expressly makes the Provider responsible for it.
- 4.3 Where Schedule 1 provides for a monthly retainer, the retainer secures the Provider's continuing capability, availability and delivery of prioritised work. It is not limited to a fixed number of hours, days or tasks in any month, and effort will vary with priorities. The parties will assess value and performance over a reasonable period rather than by comparing hours month by month. Either party may raise at a quarterly review that effort or output has departed materially from what the parties reasonably expected, and the parties will then agree in good faith how to rebalance scope, priorities or Fees.
- 4.4 Where Schedule 2 provides for a discovery phase, the engagement begins with a discovery, audit and baseline phase during the Initial Period. During that phase the Provider will investigate the Client Group's environment, establish the baseline (including the Virtual CTO Score where Schedule 4 applies), identify risks and dependencies, and agree the initial roadmap with the Client. Recurring output commitments and KPI targets apply once sufficient baseline evidence exists and the initial priorities have been agreed.

5. Excluded Services

- 5.1 Unless expressly included in Schedule 2 or a signed Statement of Work, the Services exclude:
- website, SEO or digital marketing implementation, content editing or campaign execution;
 - software development, coding, build, testing, deployment or ongoing maintenance;
 - server, cloud, network, productivity-suite or device administration;
 - helpdesk, user, printer, email or device support;
 - malware response, cybersecurity monitoring, penetration testing or managed security services;
 - hardware supply or installation, physical cabling, data entry or operational processing;
 - legal, accounting, tax, financial, employment, privacy-officer or other regulated advice;
 - delivery, licensing or support of software, SaaS, AI, reporting, monitoring or other platforms; and
 - any task that is primarily operational execution rather than strategic advice, governance, coordination or oversight.
- 5.2 Excluded work may be provided as Additional Charges under clause 10 or under a Statement of Work. Assisting with diagnosis, requirements, vendor selection, oversight or acceptance criteria does not make the Provider responsible for the underlying implementation or its technical operation.

6. Delivery model, availability and reporting

- 6.1 Most Services will be performed off-site, including research, analysis, roadmaps, policies, governance frameworks, assessments, vendor reviews, meeting preparation, board papers and executive reports.
- 6.2 The Provider will spend time on-site at the Client's premises as stated in Schedule 1 to understand the business, engage stakeholders and support leadership discussions.
- 6.3 The on-site commitment is a service expectation, not a timesheet guarantee. It may vary because of travel, public holidays, leave, illness, emergencies or agreed priorities. The Provider will give advance notice where practical and may substitute remote meetings, workshops or equivalent advisory activity. If the on-site commitment is not met in two consecutive months, either party may raise it for resolution under clause 7.
- 6.4 Reports and advice will be delivered to the reporting recipients stated in Schedule 1 or otherwise nominated by the Client.

- 6.5 Meeting times and response expectations will be arranged reasonably. Unless Schedule 1 or a Statement of Work states otherwise, the retainer does not include continuous availability, after-hours response, incident response or a guaranteed response time.

7. Governance, priorities and decision-making

- 7.1 The parties will maintain a practical cadence for setting priorities and reviewing progress, including a quarterly review. Each party will nominate a representative authorised to give and receive instructions, approvals and notices for day-to-day matters, as recorded in Schedule 1.
- 7.2 All business, operational, legal, financial and implementation decisions remain the Client's responsibility. The Client may accept, modify, defer or reject any recommendation.
- 7.3 Before significant changes are implemented, the Client is responsible for ensuring appropriate technical review, testing, change control, backups, rollback plans, stakeholder consultation, legal or regulatory review, training and approval.
- 7.4 Neither party is responsible for risk, cost or consequences to the extent caused by the other party's decision, delay or change. In particular, the Provider is not responsible to the extent loss results from the Client not implementing, delaying or materially changing a recommendation, and the Client is not responsible to the extent loss results from the Provider's failure to provide the Services in accordance with this Agreement.

8. Responsibilities of each party

- 8.1 **Client.** The Client will:
- (a) provide timely, accurate and complete information, access, decisions, personnel and cooperation reasonably required for the Services;
 - (b) maintain appropriate backups, business continuity arrangements, licences, security controls and insurance for its operations, systems and data;
 - (c) ensure it has authority to provide Client Data and access, and identify information requiring special handling; and
 - (d) review Deliverables within a reasonable time and identify errors, missing facts or changed assumptions.

8.2 **Provider.** The Provider will:

- (a) perform the Services in accordance with this Agreement using suitably qualified and experienced personnel, including any key person named in Schedule 1, who will not be replaced without first consulting the Client;
- (b) comply with the Client's reasonable site, health and safety, IT acceptable-use and security policies notified in writing in advance;
- (c) tell the Client promptly about any material risk, issue, dependency or delay it becomes aware of that is likely to affect the Services or the Client Group; and
- (d) keep reasonable records of Deliverables, decisions and approved Additional Charges and make them available to the Client on request.

8.3 **Reliance.** Each party may rely on information and representations supplied by the other party and its advisers unless their inaccuracy is obvious or the relying party has reason to doubt them.

9. Fees, invoicing and payment

9.1 The Client will pay the Fees stated in Schedule 1, plus GST, together with any Additional Charges approved under clause 10.

9.2 Any monthly retainer is billed by calendar month in arrears. The Provider will issue the invoice for each service month on the last Business Day of that month. A part month at the start or end of the engagement is charged pro rata. Other Fees are invoiced as Schedule 1 or the applicable Statement of Work states.

9.3 Unless Schedule 1 states otherwise, each invoice (for the retainer, other Fees or Additional Charges) is due on the 20th day of the month after the invoice date. If that day is not a Business Day, payment is due on the next Business Day.

9.4 The Client must notify a genuine invoice dispute within ten (10) Business Days of receipt, explaining the disputed amount and grounds, and must pay the undisputed amount on time. The parties will work promptly and in good faith to resolve the dispute, and any amount found to be payable or refundable will be settled within ten (10) Business Days of resolution.

9.5 If an undisputed amount remains unpaid ten (10) Business Days after a written reminder, the Provider may suspend the Services on a further five (5) Business Days' written notice. Suspension does not waive the debt, the Provider is not liable for delay caused by a lawful suspension, and the Provider will resume the Services promptly once the overdue amount is paid.

- 9.6 The Fees are fixed for the first twelve (12) months from the Commencement Date. After that, either party may propose a change to the Fees at any anniversary of the Commencement Date. A change takes effect only if agreed in writing.

10. Additional Charges

- 10.1 The Fees cover only the Services described in Schedule 2. The following are not included in the Fees and are charged in addition, on the basis set out in Schedule 3 or the applicable Statement of Work (**Additional Charges**):
- AI usage and consumption incurred for the Client Group, including model, token, API, agent, automation, generated-media and associated compute and subscription costs;
 - privacy work, including privacy impact assessments, privacy programme and policy development, privacy-officer support and privacy-incident support;
 - intellectual property work, including IP audits, ownership and licensing reviews, and the preparation of material for registration, licensing or commercialisation;
 - build and implementation costs, including Implementation Services, prototyping, development, configuration, integration, deployment, hardware and installation;
 - software, licences, SaaS, subscriptions, hosting, cloud, data and monitoring services;
 - third-party specialists, contractors and professional advisers engaged for the Client Group;
 - travel outside the ordinary travel area in Schedule 1, accommodation and other disbursements; and
 - any other work outside Schedule 2 requested by the Client.
- 10.2 The Provider will not incur an Additional Charge without the Client's prior written approval (email is sufficient). Before seeking approval, the Provider will give a written quote or estimate. Recurring or consumption-based charges, such as AI usage, may be approved as a monthly budget, and the Provider will not exceed an approved budget without further approval. No unapproved Additional Charge is payable.
- 10.3 Pass-Through Costs are charged at cost with no margin, unless Schedule 3 discloses a handling margin, and are supported by reasonable evidence on request. The Provider's time for additional work is charged at the rates in Schedule 3 or as quoted.
- 10.4 Additional Charges are invoiced monthly in arrears and itemised by category, including AI usage, so the Client can reconcile them against approved budgets. Approved budgets are reviewed at each quarterly review.

- 10.5 The Client may reduce or cancel an approved budget or item of additional work at any time by written notice. The Client remains liable only for work performed and costs incurred, or non-cancellable commitments made with its approval, before the notice is received. The Provider will take reasonable steps to cancel or transfer those commitments to minimise cost.
- 10.6 The Client may instead procure any software, AI service, licence or third-party service directly in its own name, in which case the Provider's Additional Charges are limited to any agreed time for configuration or support.
- 10.7 The Provider may recommend its own or a related party's products or services only with transparent prior disclosure of that interest. Procurement remains optional and at the Client's discretion.

11. Contractors and third parties

- 11.1 The Provider may recommend or introduce specialist contractors, vendors or providers. The Client decides whether to engage them and, unless otherwise agreed, contracts with and pays them directly.
- 11.2 If the Provider engages a subcontractor to help provide the Services, the Provider must first notify the Client, remains responsible for that subcontractor's performance, and must ensure confidentiality and data-protection obligations materially consistent with this Agreement.
- 11.3 If the Client asks the Provider to engage or manage an implementation contractor on the Client's behalf, the parties must first agree authority, budget, responsibilities and fees in writing. The Provider is not liable for an independent third party's acts or omissions except to the extent the loss is caused by the Provider's negligent selection, instruction or oversight within the agreed scope.

12. Artificial intelligence and technology tools

- 12.1 The Provider may use AI Systems, automation and software tools to support research, analysis, drafting and reporting. AI-assisted output remains subject to professional judgement and review proportionate to its significance, and the Provider remains responsible for Deliverables it provides whether or not an AI System was used to prepare them.
- 12.2 AI usage and consumption incurred for the Client Group is an Additional Charge under clause 10 and requires approval under clause 10.2.

- 12.3 The Provider will not input Sensitive Client Information into a third-party AI System without the Client's prior written consent, unless the system has been expressly approved by the Client as part of an agreed secure operating environment. "Sensitive Client Information" includes personal information, credentials, security configurations, privileged material, non-public financial information, customer data and trade secrets.
- 12.4 Where reasonably practicable, Client Data used with AI Systems will be minimised, anonymised, pseudonymised or redacted. The Provider will select commercially appropriate tools and use available privacy, retention and model-training controls so that Client Data is not used to train third-party models.
- 12.5 The Client may, by written notice, restrict or prohibit the use of AI Systems for particular Client Data or work, and the Provider will comply. If a restriction materially increases the effort required, the parties will agree any resulting change under clause 10.
- 12.6 Each party acknowledges that AI output can contain errors, omissions or fabricated content and should not be the sole basis for a material legal, financial, safety, security or operational decision. Neither party warrants that a third-party AI System is uninterrupted, error-free or immune from security incidents.

13. Mutual confidentiality

- 13.1 Each party receiving Confidential Information must keep it confidential, use it only for this engagement, protect it with at least reasonable care, and disclose it only to personnel, professional advisers and approved subcontractors who need to know and are bound by confidentiality obligations.
- 13.2 A recipient must not disclose Confidential Information to any other person without the discloser's prior written consent, except to the extent required by law. Where legally permitted, the recipient will give prompt notice and disclose only what is required.
- 13.3 Confidential Information excludes information the recipient can show: (a) is lawfully public through no breach; (b) was already lawfully known without restriction; (c) was independently developed without use of the discloser's information; or (d) was lawfully received from a third party without a duty of confidence.
- 13.4 On request or termination, each party will return or securely delete the other's Confidential Information, except for copies required by law, insurance or bona fide backup systems, which remain protected and may not be actively used.
- 13.5 Neither party may make a public announcement, use the other's name or logo, or disclose the existence or nature of the engagement for marketing or case-study purposes without prior written consent.

- 13.6 This clause survives termination. It applies perpetually to information about any actual or proposed acquisition, merger or other transaction, trade secrets, credentials, security information, personal information and other sensitive material, and to other Confidential Information for so long as it remains confidential or applicable law requires protection, in each case subject to clause 13.3.

14. Privacy, security and incident response

- 14.1 Each party will comply with the Privacy Act 2020 and other privacy laws applicable to its role. The Client determines the purposes for which personal information is processed; the Provider will process it only as reasonably necessary to provide the Services or as lawfully instructed.
- 14.2 Each party will maintain reasonable administrative, technical and physical safeguards proportionate to the information of the other party it holds, including access controls, device security and secure transfer practices.
- 14.3 Each party will notify the other without undue delay after becoming aware of unauthorised access to, loss of, or disclosure of the other party's information in its control that is reasonably likely to cause harm, provide available relevant information, and cooperate reasonably with assessment, response and any required notification.
- 14.4 The Provider may use reputable service providers and cross-border cloud services where reasonably necessary, subject to appropriate confidentiality and privacy safeguards, and will identify the material providers holding Client Data on request.
- 14.5 Privacy advisory, assessment and incident-support work beyond these obligations is an Additional Charge under clause 10.

15. Intellectual property

- 15.1 Each party retains ownership of Intellectual Property Rights it owned or developed independently of this engagement. The Client owns Client Data, its brands, its business-specific content and its pre-existing materials.
- 15.2 The Provider owns its pre-existing and reusable materials, tools, methodologies, frameworks, templates, assessment models, scoring logic, prompts, AI workflows, automations, software, know-how and generic improvements to them (**Provider Materials**), provided they do not contain or disclose the Client's Confidential Information.

- 15.3 On payment of the applicable Fees and Additional Charges, the Client owns the Intellectual Property Rights in Deliverables created specifically for the Client Group (**Bespoke Deliverables**), excluding Provider Materials and third-party materials embodied in them. The Provider assigns those rights to the Client with effect from payment and will sign reasonable documents needed to record that ownership.
- 15.4 To the extent Provider Materials are embedded in or reasonably necessary to use a Bespoke Deliverable, the Provider grants the Client Group a perpetual, worldwide, non-exclusive, royalty-free licence to use, copy and adapt them for its own internal business purposes, including after termination.
- 15.5 The licence in clause 15.4 does not permit the Client Group to resell, sublicense, commercialise or publish Provider Materials, except to provide them to its professional advisers and service providers for the Client Group's internal purposes under confidentiality obligations.
- 15.6 The Provider will not provide a Bespoke Deliverable, or any material containing the Client's Confidential Information, to any other person. Each party may use general skills and knowledge retained unaided in the memory of its personnel, provided this does not disclose Confidential Information or reproduce material owned by the other party.
- 15.7 Work to create, assess, register, license or commercialise Intellectual Property Rights beyond the Bespoke Deliverables included in the Services is an Additional Charge under clause 10.

16. Warranties and professional independence

- 16.1 Each party warrants that it has authority to enter into and perform this Agreement.
- 16.2 The Provider warrants that it will provide the Services with reasonable skill, care and diligence and will disclose any actual or potential conflict of interest that could materially affect its independence.
- 16.3 Any commission, referral fee, ownership interest or other material financial benefit the Provider would receive in connection with a recommendation will be disclosed before the Client commits to purchase.
- 16.4 Except for the express warranties in this Agreement and to the maximum extent permitted by law, all other conditions, guarantees and warranties are excluded. Nothing excludes a right or remedy that cannot lawfully be excluded or limited.
- 16.5 The parties are in trade and the Services are acquired and supplied in trade. To the extent permitted by law, the parties agree that the Consumer Guarantees Act 1993 and sections 9, 12A and 13 of the Fair Trading Act 1986 do not apply, and that this is fair and reasonable.

17. No guarantee and technology risk

- 17.1 Advice is based on the information, priorities, constraints and technology available at the time. The Provider does not guarantee a particular score, commercial outcome, saving, compliance status, system availability, cybersecurity outcome or elimination of risk.
- 17.2 Cybersecurity is an ongoing risk-management process. Recommendations can reduce but cannot eliminate vulnerabilities, incidents, unauthorised access, fraud, data loss or business interruption.
- 17.3 A recommendation may require validation by implementation specialists and legal, financial, privacy, employment, health and safety or other professional advisers before adoption.

18. Liability

- 18.1 Neither party is liable to the other for indirect, consequential or special loss, or for loss of profit, revenue, opportunity, anticipated saving, goodwill or data, except that this exclusion does not limit amounts payable to a third party under an indemnity in clause 19, payment obligations, or liability that cannot lawfully be excluded.
- 18.2 Subject to clauses 18.3 and 18.4, each party's total aggregate liability arising from or in connection with this Agreement, whether in contract, tort (including negligence), equity, indemnity or otherwise, is limited to the greater of: (a) the Fees paid or payable in the twelve (12) months immediately before the event giving rise to the claim (or, if fewer than twelve months have passed, the Fees reasonably expected to be payable in the first twelve months); and (b) the minimum stated in Schedule 1.
- 18.3 The cap in clause 18.2 does not apply to either party's fraud or wilful misconduct, liability for death or personal injury caused by negligence, infringement or misuse of the other party's Intellectual Property Rights, or the Client's obligation to pay Fees and approved Additional Charges properly due.
- 18.4 For either party's breach of confidentiality, privacy or data-security obligations, that party's aggregate liability is limited to two times the cap in clause 18.2, except for fraud or wilful misconduct.
- 18.5 Each party must take reasonable steps to mitigate its loss. A party's liability is reduced to the extent the loss is caused or contributed to by the other party's act or omission, failure to follow agreed controls, inaccurate information or breach of this Agreement.

19. Indemnities

- 19.1 The Client indemnifies the Provider against third-party claims, and resulting direct losses, to the extent arising from: (a) Client Data or materials supplied by the Client Group infringing a third party's rights; (b) the Client's material breach of its confidentiality or privacy obligations; or (c) the Client's fraud, wilful misconduct or gross negligence.
- 19.2 The Provider indemnifies the Client against third-party claims, and resulting direct losses, to the extent arising from: (a) a claim that a Bespoke Deliverable or Provider Materials supplied by the Provider infringe a third party's Intellectual Property Rights, excluding claims caused by Client materials, instructions, modifications or combinations not supplied by the Provider; (b) the Provider's material breach of its confidentiality or privacy obligations; or (c) the Provider's fraud, wilful misconduct or gross negligence.
- 19.3 An indemnified party must promptly notify the indemnifying party, permit it to control the defence and settlement (without admitting liability or imposing non-monetary obligations on the indemnified party without consent), and provide reasonable cooperation at the indemnifying party's cost. Failure to notify reduces the indemnity only to the extent of actual prejudice.
- 19.4 These indemnities are subject to clause 18.

20. Insurance

- 20.1 The Provider will maintain professional indemnity and public liability insurance at not less than the levels stated in Schedule 1 and provide reasonable evidence of cover on request. The Client will maintain insurance appropriate to its business, systems, data and implementation risks.

21. Termination

- 21.1 **Initial Period.** During the Initial Period, either party may terminate this Agreement for convenience by giving at least three (3) months' written notice.
- 21.2 **After the Initial Period.** After the Initial Period, either party may terminate this Agreement for convenience by giving at least one (1) month's written notice.
- 21.3 The applicable notice period is determined by the date the notice is given. The parties may agree a shorter notice period in writing. The parties acknowledge that the longer notice period during the Initial Period reflects the front-loaded discovery, audit, assessment, planning and establishment work required at the start of the engagement, and that it applies equally to both parties.

- 21.4 During a notice period the Fees remain payable and the Provider will continue to provide the Services, with priorities adjusted by agreement to support an orderly transition.
- 21.5 **For cause.** Either party may terminate this Agreement immediately by written notice if the other party: (a) commits a material breach that cannot be remedied; (b) fails to remedy a remediable material breach within ten (10) Business Days after written notice; (c) becomes insolvent, enters liquidation, receivership or voluntary administration, or ceases business; or (d) engages in unlawful conduct that materially affects the engagement. Persistent failure by the Provider to provide the Services, and failure by the Client to pay undisputed amounts within twenty (20) Business Days of a written reminder, are each material breaches.
- 21.6 **Suspension.** A party may suspend only the affected Services where continuing them would require unlawful conduct or create a serious and immediate security or safety risk. Where reasonably possible, it must first notify the other party, explain the basis and allow a reasonable opportunity to address the issue. Neither party has a right to terminate or suspend based solely on reputational risk.
- 21.7 **Consequences.** On termination: (a) accrued rights and obligations continue; (b) the Client will pay the Fees up to the termination date and approved Additional Charges incurred, or non-cancellable commitments made with its approval, before termination; (c) Fees for a part month are charged pro rata to the termination date; (d) the Provider will deliver completed and paid-for Deliverables, and work in progress once paid for under clause 21.9, transfer to the Client any accounts, subscriptions, credentials and Client Data held for the Client Group, and reasonably cooperate in an orderly handover; and (e) each party will return or delete information under clause 13.4.
- 21.8 Clauses intended by their nature to survive, including confidentiality, privacy, intellectual property, payment, liability, indemnities, dispute resolution and governing law, survive termination.

- 21.9 **Front-loaded work and early ending.** The Provider often does a large share of the work for an engagement early, including discovery, audit, design, build, configuration, set-up and AI-assisted development, and recovers it through Fees spread over the engagement. If this Agreement, a Statement of Work or an engagement ends before the Fees for that work have been paid, for any reason other than the Client terminating for the Provider's breach under clause 21.5, or if the Client cancels work it asked the Provider to start before an agreement was signed, the Client will pay, in addition to the amounts in clause 21.7(b) and (c) and without double counting:
- (a) the value of all work performed up to the end date, including labour time and the time the Provider's AI systems and Build System were run for the Client, at the rates in Schedule 3 (or, where none are stated, the Provider's standard rates at the time), less the Fees already paid for that work;
 - (b) AI model usage, cloud, compute, licence and other third-party costs incurred for the engagement up to the end date, and any that cannot be cancelled after it, as Pass-Through Costs under Schedule 3;
 - (c) any amount that Schedule 1 or the Statement of Work records as front-loaded work to be recovered over the engagement, to the extent not yet paid; and
 - (d) the Fees for any part of a notice period under clause 21.1 or 21.2 that the Client does not give, less any costs the Provider saves because it no longer has to provide the Services.

The Provider will invoice these amounts with a reasonable breakdown, payable under clause 9.3. The parties agree these amounts reflect work actually done, costs actually incurred and the Provider's legitimate interest in recovering them, and are not a penalty. Work paid for under this clause is delivered under clause 21.7(d), subject to Schedule 5.

22. Personnel and non-solicitation

- 22.1 During the term and for six (6) months after it ends, neither party will knowingly solicit for employment or direct engagement a person materially involved in the Services who is employed or contracted by the other party, without written consent. This does not prohibit general recruitment advertising not targeted at that person or approaches initiated independently by that person.
- 22.2 If this restraint is unenforceable at its stated scope or duration, it applies to the maximum enforceable extent. This clause does not prevent either party from working with independent vendors introduced during the engagement.

23. Disputes

- 23.1 A party claiming a dispute must give written notice describing it. Senior representatives will meet (in person or remotely) within five (5) Business Days and attempt in good faith to resolve it.
- 23.2 If the dispute is unresolved within ten (10) Business Days after that meeting, either party may refer it to mediation in Auckland by a mediator agreed by the parties or, failing agreement within five (5) Business Days, appointed by the chair of the Resolution Institute or AMINZ. The parties will share the mediator's fees equally and bear their own costs.
- 23.3 Nothing prevents a party seeking urgent interim relief, protecting Confidential Information or Intellectual Property Rights, recovering an undisputed debt, or commencing proceedings before a limitation period expires.

24. Force majeure

- 24.1 Neither party is liable for delay or failure caused by events beyond its reasonable control, including natural disaster, epidemic, war, civil disturbance, government action, widespread telecommunications or cloud outage, or utility failure, provided it promptly notifies the other and takes reasonable steps to mitigate.
- 24.2 Payment obligations for Services already supplied are not excused. If the event continues for more than thirty (30) days and materially prevents performance, either party may terminate the affected Services on written notice without liability for future Fees.

25. General

- 25.1 **Notices.** A notice must be in writing and sent to the notice contact in Schedule 1 by email, personal delivery or courier. Email is received when sent, unless the sender receives a failure notice; an email sent after 5:00 pm or on a non-Business Day is deemed received at 9:00 am on the next Business Day.
- 25.2 **Assignment.** Neither party may assign or transfer this Agreement without the other's prior written consent, not to be unreasonably withheld, except to a successor in a bona fide sale or reorganisation of substantially all of that party's relevant business, on written notice and provided the successor assumes the obligations.
- 25.3 **Subcontracting.** Subcontracting does not relieve a party of responsibility for its obligations under this Agreement.
- 25.4 **Relationship.** The Provider is an independent contractor. Nothing creates employment, partnership, joint venture, fiduciary relationship or agency.

- 25.5 **Variation.** A variation is effective only if in writing and agreed by authorised representatives of both parties. Operational priority changes within the existing scope do not require a formal variation.
- 25.6 **Schedules and Statements of Work.** The parties may add, complete or replace Schedules, or agree Statements of Work, at any time. Each is effective once agreed in writing by authorised representatives of both parties, forms part of this Agreement, and must identify any provision of the general terms it varies. A later Schedule of the same type replaces the earlier one from its stated effective date.
- 25.7 **Waiver.** A waiver must be in writing and applies only to the specific occasion. Delay or failure to enforce a right is not a waiver.
- 25.8 **Severability.** If a provision is illegal or unenforceable, it is modified to the minimum extent necessary or severed, without affecting the remainder.
- 25.9 **Entire agreement.** This Agreement, its Schedules and any Statements of Work record the entire agreement about their subject matter and replace prior discussions and proposals, subject to rights and remedies that cannot lawfully be excluded.
- 25.10 **Counterparts and electronic signatures.** This Agreement may be signed in counterparts and by electronic signature. Together the signed counterparts form one instrument.
- 25.11 **Governing law.** This Agreement is governed by New Zealand law. Subject to clause 23, the courts of New Zealand have non-exclusive jurisdiction.

SCHEDULES

The Schedules below are the Shaved Monkeys standard Schedules. Which parts apply to an engagement, and the particulars and prices for it, are recorded in your quote, proposal or Schedule 1. Prices are never set here: they are as quoted.

Schedule 1: Engagement particulars

Schedule 1 records the commercial particulars for each engagement. Where there is no signed Schedule 1, these particulars are as set out in your quote, proposal, order or Statement of Work, and anything not set out there is as agreed in writing. Schedule 1 may be replaced by an updated Schedule 1 under clause 25.6. It records:

the Client's legal name, registration number and address, and the covered entities (Client Group);

the Effective Date and the Commencement Date;

the Initial Period: twelve (12) months from the Commencement Date;

termination for convenience: during the Initial Period, three (3) months' written notice by either party; after it, one (1) month's written notice by either party (clause 21);

the Fees and the billing cycle, as quoted;

payment due: the 20th day of the month following the invoice date (Fees and Additional Charges), unless a different date is stated;

target measures, and any approved monthly budget for consumption charges (AI usage, cloud, software);

on-site presence and the ordinary travel area (travel included);

the Client representative, the Provider representative or key person, and the reporting recipients;

the minimum insurance levels (professional indemnity and public liability) and the liability cap minimum for clause 18.2(b);

the AI providers and regions used for each application (Schedule 5, section 4.1);

which parts of the Services Schedule (Schedule 2) apply: Part A, software, apps and AI building blocks; Part B, Virtual CTO advisory; Part C, EdgeOps;

which optional Schedules apply (for example Schedule 4, Virtual CTO Score and KPI framework, with Part B; Schedule 5, Software licence and hosting);

the notice contacts for each party, the Client's premises, and any additional Schedules and Statements of Work.

Invoice example: an invoice dated 31 August covers any retainer for August, together with any approved Additional Charges incurred in August, and is payable by 20 September.

Schedule 2, Part A: Software, apps and AI building blocks

Schedule 2 has three parts, each a Shaved Monkeys service line: Part A (this part), Part B (Virtual CTO advisory) and Part C (EdgeOps). Schedule 1 records which parts apply.

This Part describes the Shaved Monkeys software services. For these Services, Schedule 2 expressly includes software development and implementation work for the purposes of clauses 3.2, 4.2 and 5.1, but only for the items included for the engagement (section 5) or described in a Statement of Work.

1. Service lines

- 1.1 **Application and software development.** Designing, building, testing and releasing web, mobile and back-office applications for the Client, including integration with the Client's tools (for example email, calendar, finance, HR and data platforms), from a brief agreed in a Statement of Work.

- 1.2 **AI building blocks.** Configuring and connecting the Provider's reusable software modules (the **Building Blocks**, for example sign-in and access control, security guardrails, audit, integrations and cloud connectors, the user-interface kit and AI assistant modules) into applications for the Client.
- 1.3 **Shaved Monkeys products.** Subscription access to the Provider's own products as listed for the engagement, supplied as a service.
- 1.4 **#One.** A business operations application built for the Client on the #One standard base (IT jobs; incidents and privacy incidents; policies with tests for governance; an IT dashboard; incident counts and time-to-resolve measures; internal information and FAQ), with any custom blocks agreed in a Statement of Work.
- 1.5 **Managed service.** Operating the applications above: updates, monitoring, backups, security patching and integration upkeep, at the service level stated for the engagement.

2. Delivery editions

- 2.1 **Hosted (SaaS).** The application runs in the Provider's cloud accounts, isolated per customer, and is operated by the Provider. The hosted licence fee includes hosting and operation.
- 2.2 **Managed Dedicated.** The same application is deployed into the Client's own Amazon Web Services account and operated by the Provider through a least-privilege access role that the Client can see and revoke. The Client pays its cloud provider directly. The managed-service fee covers operation.
- 2.3 The edition for each application is recorded for the engagement. Both editions use the same codebase; the difference is licensing and operating approach. Schedule 5 (Software licence and hosting) applies to both.

3. How work is delivered

- 3.1 Build work is delivered under a Statement of Work that records the brief, acceptance criteria, the Building Blocks used, whether any new reusable component will be a new Building Block (Provider's) or part of the Client's custom code (Client's), the price and the timetable.
- 3.2 Releases are versioned. Each release record lists what changed and which components are the Client's and which are Building Blocks.
- 3.3 The Client is responsible for acceptance testing against the agreed criteria within ten (10) Business Days of a release being made available, unless the Statement of Work states otherwise.

4. Exclusions

The exclusions in clause 5 apply, except to the extent section 1 and section 5 include the work. Unless included, the Services exclude end-user helpdesk, device support, content writing, and support of third-party software not built or integrated by the Provider.

5. Engagement-specific services

The items included for an engagement (application and software development, AI building blocks, Shaved Monkeys products, #One, managed service), the edition and service level for each, the initial priorities and in-scope systems, and any additions to or exclusions from sections 1 to 4 are as set out in your quote, Schedule 1 or a Statement of Work.

Schedule 2, Part B: Virtual CTO advisory (Strategic Technology Advisory)

A Shaved Monkeys service line. Applies only where Schedule 1 says so. Schedule 4 (Virtual CTO Score) is optional with it.

This Schedule describes the standard Strategic Technology Advisory (Virtual CTO) service. Engagement-specific priorities are recorded in section 6. Priorities may change by agreement without expanding the engagement into implementation work.

1. Included advisory domains

technology strategy, roadmaps and investment priorities;
digital transformation and operating-model advice;
AI strategy, readiness, governance, use-case assessment and implementation planning;
cybersecurity governance, risk oversight and control recommendations;
technology risk registers, business continuity and disaster-recovery planning oversight;
architecture, infrastructure, cloud, data and platform reviews at a strategic level;
vendor selection, procurement advice, commercial review and vendor meeting participation;
technology budgets, KPIs, governance forums and portfolio prioritisation;
technology policies, standards, governance frameworks and executive documentation;
board, owner, Managing Director and executive reporting;
operational maturity assessments, process reviews and automation opportunity identification;
technology due diligence, innovation workshops and executive mentoring; and
coordination and oversight of approved implementation work, where separately scoped if material.

2. Typical deliverables

baseline assessment and periodic updates (including the Virtual CTO Score where Schedule 4 applies);

prioritised technology roadmap and risk register;

executive or board reports and recommendations;

technology policy and governance drafts;

vendor options and evaluation criteria;

project briefs, decision papers and acceptance criteria; and

strategic reviews and meeting participation.

3. Delivery phases and cadence

- 3.1 **Foundation phase.** The engagement first moves through discovery, audit and baseline establishment during the Initial Period. Indicative outputs are an information request, stakeholder discovery, baseline assessment, risk and dependency register, and prioritised roadmap. Timing depends on the scale and quality of available evidence, access to stakeholders and the complexity of the Client Group.
- 3.2 **Monthly cadence.** After the foundation phase, the Provider will ordinarily provide an executive technology update; maintain the roadmap, risk register and decision log; review active strategic initiatives and material vendors; identify decisions and dependencies; and undertake the agreed on-site and off-site activity.
- 3.3 **Quarterly cadence.** After the foundation phase, the Provider will ordinarily provide a quarterly progress review (including the Virtual CTO Score where Schedule 4 applies), a roadmap and priority reset, a technology risk and governance summary, and an executive or Board briefing as appropriate. The quarterly review is also the forum for the effort and value review in clause 4.3.
- 3.4 **Measures.** Performance will be assessed by agreed progress against the roadmap, treatment of identified risks, quality and timeliness of reporting, delivery of agreed decisions and governance outcomes, and (where Schedule 4 applies) movement in the Virtual CTO Score. Measures are subject to dependencies on both parties, including Client approvals, budget, information, staff participation and third-party implementation, and the Provider's timely delivery. The Client may ask for additional measures at any time, and the parties will review and adjust the measures at each quarterly review.
- 3.5 **Variable effort.** Delivery is not expected to be uniform from month to month. A priority may require concentrated effort over a short period, and a later month may involve less activity while implementation, evidence or decisions are pending. This variability is part of the retainer model and does not by itself create a credit, carry-forward, hourly cap or additional fee.

4. Exclusions

The exclusions in clause 5 apply. The Provider identifies what should be done but does not ordinarily perform the operational or technical work. For example, the Provider may recommend multi-factor authentication but does not configure every user or system, and may identify endpoint-security risk but does not provide malware or incident-response services. Excluded work may be provided as Additional Charges (Schedule 3).

5. Service boundaries

Work is prioritised by strategic value, risk and agreed dependencies, and assessed in the context of the current phase and roadmap rather than as a fixed task quota.

The engagement has no guaranteed emergency, helpdesk, incident-response, after-hours or implementation capacity unless Schedule 1 or a Statement of Work states otherwise.

A request outside this Schedule is treated under clause 10 and requires written approval before material work or cost is incurred.

6. Engagement-specific priorities

The agreed initial priorities, known initiatives, in-scope systems or sites, and any additions to or exclusions from sections 1 to 5 are as set out in your quote, Schedule 1 or a Statement of Work.

Schedule 2, Part C: EdgeOps services

A Shaved Monkeys service line. Applies only where Schedule 1 says so.

1. Included services and delivery. The EdgeOps services for an engagement, how they are delivered and their cadence, the in-scope systems or sites, and any additions or exclusions are as set out in your quote, Schedule 1 or a Statement of Work.

2. Exclusions. The exclusions in clause 5 apply, except to the extent the agreed services include the work.

Schedule 3: Fees, Additional Charges and rate card

These charges apply under clauses 9 and 10, for all Shaved Monkeys service lines. Additional Charges each require prior written approval under clause 10.2, either individually or within an approved monthly budget. Prices are as quoted for each engagement and recorded in your quote, Schedule 1 or a Statement of Work. All prices are plus GST unless stated otherwise.

1. Fees

Fee	What it covers	Basis
Development fee	Build work under a Statement of Work, including custom blocks	Fixed per Statement of Work, or time and materials at the quoted rates
Licence fee (Hosted)	Use of the application and the Building Blocks it contains, hosting and operation	Per month, as quoted
Licence fee (Managed Dedicated)	Use of the application and the Building Blocks it contains in the Client's own cloud account	Per month, as quoted
Managed-service fee (Managed Dedicated)	Updates, monitoring, backups, security patching, integration upkeep	Per month, as quoted
Maintenance and security fee (Model A)	Maintenance and security updates to the Building Blocks in the Client's application (Schedule 5)	Per month, as quoted
Product subscription	Shaved Monkeys products listed for the engagement (Schedule 2 Part A)	Per month, as quoted
Virtual CTO monthly retainer (Part B)	Virtual CTO advisory under Schedule 2 Part B	Per month, as quoted, billed in arrears (clause 9.2)
EdgeOps services (Part C)	As agreed under Schedule 2 Part C	As quoted
Building Blocks perpetual licence buy-out (Schedule 5, 3.4)	A perpetual licence to the Building Blocks in use in the Client's application, if the Provider ends the Agreement	As quoted
Own-the-code build (optional)	A separate from-scratch build with no Building Blocks, where the Client wants to own all code	Quoted separately

2. Additional Charges and rate card

Category	Examples	Basis of charge
Provider time for additional work	Advisory projects, workshops or deliverables, or other work outside Schedule 2 or a Statement of Work	Hourly or day rate as quoted, or fixed quote

Category	Examples	Basis of charge
AI usage and consumption	Model and API tokens, agents, automation runs, generated media, associated compute	Pass-Through Cost at cost, itemised monthly, within approved budget
Cloud consumption (Hosted)	Unusually high usage above the allowance stated in Schedule 1	Pass-Through Cost at cost, within approved budget
Cloud consumption (Managed Dedicated)	The Client's own cloud bill	Paid by the Client directly to its cloud provider
Privacy work	Privacy impact assessments, privacy programme and policies, privacy-officer support, privacy-incident support	Quoted, or at the quoted rates
Intellectual property work	IP audits, ownership and licensing reviews, preparation for registration or commercialisation	Quoted, or at the quoted rates; legal fees at cost
Build and implementation (outside a Part A Statement of Work)	Prototypes, development, configuration, integration, deployment, hardware and installation	Statement of Work or fixed quote
Software, licences and hosting	SaaS, subscriptions, hosting, cloud, data and monitoring services	Pass-Through Cost at cost, or procured directly by the Client
Third-party specialists	Contractors, vendors, legal and other professional advisers	At cost, or contracted directly by the Client
Travel and disbursements	Travel outside the ordinary travel area, accommodation, other disbursements	At cost; mileage at the IRD rate

- 3.1 **Margin.** Pass-Through Costs carry no margin unless a handling margin is disclosed in your quote or Schedule 1.
- 3.2 **Rate review.** Provider rates are fixed for the first twelve (12) months from the Commencement Date and may then be reviewed with the Fees.
- 3.3 **Statement.** Additional Charges are invoiced monthly in arrears with an itemised statement by category and, for consumption charges, usage against the approved budget.

Schedule 4: Virtual CTO Score and KPI framework (optional, with Schedule 2 Part B)

This Schedule applies where Schedule 1 states that it applies. The Virtual CTO Score is a strategic maturity indicator, not a certification, audit opinion, warranty or guarantee. It supports prioritisation and shows directional progress over time. The methodology is Provider Materials.

1. Assessment framework

Domain	Indicative focus	Weight
Governance & leadership	Accountability, decision rights, roadmap, reporting	15
Cybersecurity & identity	Risk governance, MFA, access, awareness, controls	15
Infrastructure & cloud	Resilience, lifecycle, architecture, cost governance	10
Data & privacy	Ownership, quality, protection, retention, lawful use	10
Business continuity	Backups, recovery, incident plans, testing	10
Applications & vendors	Portfolio fit, contracts, support, dependencies	10
Documentation & process	Policies, standards, runbooks, change control	10
AI readiness & governance	Use cases, safeguards, capability, data readiness	10
Digital improvement	Automation, customer experience, integration	5
Delivery capability	Prioritisation, ownership, benefits and change	5

2. Interpretation

Score	Indicative stage	Meaning
0 to 24	Critical / ad hoc	Material foundational risk; stabilisation and ownership required.
25 to 49	Developing	Important gaps remain; structured remediation and governance needed.
50 to 69	Defined	Core practices exist but consistency, evidence or optimisation is incomplete.
70 to 84	Managed	Good control and governance with targeted improvement opportunities.
85 to 100	Optimised	Mature, measured and continually improving; residual risk remains.

3. KPI approach

- 3.1 The baseline will be established from available evidence and stakeholder input. Items may be marked unverified where evidence is incomplete, and the Client may provide further evidence for reassessment.
- 3.2 If the initial score is below 50, meaningful improvement commonly requires at least three to six months and may take longer where significant changes (such as multi-factor authentication, identity redesign, infrastructure renewal, policy adoption or continuity testing) are required.
- 3.3 Target movement and priority initiatives will be agreed after the baseline assessment, recorded in Schedule 1, and reviewed at each quarterly review. No specific score or timeframe is guaranteed, because progress depends on budget, decisions, third-party delivery, staff adoption, risk appetite and external events.
- 3.4 A score may decrease when better evidence identifies previously unknown risk, standards change, the business changes or an incident occurs. A change in score does not by itself establish breach or negligence by either party.
- 3.5 Reporting cadence: baseline, quarterly progress summary and annual reassessment, unless the parties agree otherwise.

Schedule 5: Software licence and hosting

Applies where Schedule 1 lists it, to every application the Provider builds, hosts or operates for the Client. Customers own their data and content (exportable, with an exit runbook) and the custom code written for them; the Provider keeps its platform, its build system and its reusable Building Blocks, which it licenses for use in the customer's application. Under clause 25.6 this Schedule identifies the general terms it varies: clause 15.4 (for Building Blocks only, section 3), clause 21.7(d) (accounts in the Provider's own cloud accounts for a Hosted application are not transferred; Client Data and Customer Code are delivered under section 5) and clause 9.5 (suspension of a hosted or managed application, section 4.6).

O. Which model applies

- 0.1 **Model A, the Client's idea built by the Provider.** The Provider builds an application for the Client on its Building Blocks. The Client owns the Customer Code (section 2) and licenses the Building Blocks (section 3). Charges: a build (development) fee, a Building Blocks licence fee, and an ongoing maintenance and security fee (Schedule 3).

- 0.2 **Model B, the Provider's own product.** The Client subscribes to a Shaved Monkeys product. The product, including any configuration and customisation the Provider makes in it, remains the Provider's; the Client owns its data and content. Charge: a subscription (Schedule 3).
- 0.3 Schedule 1 or the Statement of Work records which model applies to each application. If the Client wants to own all code with no Building Blocks, that is a separate, from-scratch build, quoted separately (Schedule 3).

1. Definitions

- 1.1 **Building Blocks** means the Provider's reusable software modules and their improvements, as listed in the Provider's building blocks schedule and in each release record. They are Provider Materials.
- 1.2 **Customer Code** means code written specifically for the Client under a Statement of Work, other than Building Blocks. Customer Code is a Bespoke Deliverable.
- 1.3 **New Building Block** means a reusable component built during an engagement that the Statement of Work names, before it is built, as a Building Block. A new reusable component that the Statement of Work does not name is Customer Code.
- 1.4 **Build System** means the Provider's tools, automation and AI workflows used to design, build and test software. It is Provider Materials and is never delivered or licensed.

2. Ownership

- 2.1 The Client owns Client Data, its content and its accounts (clause 15.1), all exportable at any time in a standard format, with an exit runbook (section 5).
- 2.2 Model A: the Client owns Customer Code on payment of the development fee for it (clause 15.3). Customer Code is delivered in a repository the Client controls. Model B: there is no Customer Code; the product remains the Provider's.
- 2.3 The Provider owns its platform, the Building Blocks, New Building Blocks and the Build System (clause 15.2). No source code of these is placed in escrow or transferred.

3. Licence of Building Blocks (varies clause 15.4)

- 3.1 For Building Blocks only, clause 15.4 is replaced by this section 3. The Provider grants the Client Group a non-exclusive, non-transferable licence to use the Building Blocks inside the applications built for it (Model A), or the product (Model B), for its own internal business purposes, for as long as the applicable licence fee or subscription in Schedule 3 is paid and this Agreement continues. Maintenance and security updates to the Building Blocks are provided while the maintenance and security fee is paid.
- 3.2 Clause 15.5 applies to the Building Blocks.

- 3.3 On termination the Provider will deliver Client Data and Customer Code under section 5 and give the Client a transition period of ninety (90) days (or the period stated in Schedule 1), during which the licence continues on payment of the licence fee. After that period the Client may continue to use Customer Code but must license or replace the Building Blocks, except as section 3.4 provides.
- 3.4 **If the Provider ends the Agreement.** If the Provider terminates this Agreement for convenience, or the Client terminates it for the Provider's breach, the licence in section 3.1 continues for the application built for the Client for as long as the Client keeps paying the licence fee in Schedule 3 (without the maintenance and security fee unless the Client wants updates), or, at the Client's option, the Provider will grant a perpetual licence to the Building Blocks then in use in that application for the buy-out fee in Schedule 3.
- 3.5 Applications built with Building Blocks need a current licence to them to operate. Owning Customer Code does not include owning the Building Blocks.

4. Hosting and operation

- 4.1 **Hosted.** The Provider hosts the application in its cloud accounts, isolated per customer, applies its security baseline (encryption, access control, logging and backups) and keeps Client Data in New Zealand or Australia unless Schedule 1 states otherwise. AI processing is done by the providers and in the regions listed for each application in Schedule 1 (AI providers). Some features use AI providers outside Australia and New Zealand (for example in the United States); Schedule 1 names them, and they are used only under terms that stop the provider using Client Data to train its models.
- 4.2 **Managed Dedicated.** The application runs in the Client's own cloud account. The Client owns and controls that account, its root access, billing and identity. The Provider operates the application through a least-privilege access role, without long-lived keys, with its actions logged in the Client's account. The Client may revoke the role at any time, after which the Provider is not responsible for operating the application.
- 4.3 **Shared responsibility.** The Provider is responsible for the application stack it deploys and operates. The Client is responsible for its account, users, data content and the third-party services it connects.
- 4.4 **Service level.** The service level, support hours and maintenance windows are as stated for the engagement under Schedule 2 Part A (or the applicable Part). No availability level is guaranteed unless stated there (clause 17.1 applies).
- 4.5 **Updates.** The Provider releases versioned updates, backs up before each update of a Managed Dedicated installation, and may apply urgent security updates without notice.

- 4.6 **Suspension (varies clause 9.5).** For a Hosted or Managed Dedicated application, suspension under clause 9.5 means the Provider may, after the notices in clause 9.5, suspend the Client's access to the application and stop operating it. Client Data stays stored, protected and exportable during suspension, and the Provider will restore access promptly once the overdue amount is paid.

5. Exit

- 5.1 On request, and on termination, the Provider will export Client Data and hand over Customer Code with an exit runbook. Export and handover work beyond a standard export is an Additional Charge.
- 5.2 **What is delivered, and what stays with the Provider.** On exit the Client receives its Client Data and, under Model A, its Customer Code (the modules written for it). The Provider does not deliver, transfer or sell: the Build System; the Building Blocks, except under a licence in section 3; or the platform, cloud accounts and services, infrastructure, integrations, connectivity, security tooling and operating tooling the Provider uses to run its services (together, the **Provider Platform**). The Provider Platform is part of the Provider's standard services, is shared across customers and contains intellectual property owned by the Provider and its licensors, so it cannot be separated out for one customer.
- 5.3 **Hosted applications.** All cloud accounts and services that run a Hosted application are managed by the Provider and remain the Provider's. When the licence and hosting would otherwise end (including at the end of any transition period under section 3.3), the Client chooses either to keep the application hosted and operated by the Provider on the current licence and hosting fees, or to cancel the hosting. If hosting is cancelled, the Provider will deliver Client Data and Customer Code under section 5.1 and then shut down and delete the Client's environment. Clause 21.7(d) does not require the Provider to transfer its cloud accounts, services or any part of the Provider Platform.
- 5.4 **Managed Dedicated applications.** The Client keeps its own cloud account and its Client Data. When the licence ends, the Provider will remove or disable the Building Blocks and Provider Platform components it deployed in that account, unless the Client holds a continuing licence under section 3.3 or 3.4.
- 5.5 Nothing in sections 5.2 to 5.4 limits section 3.4, which keeps the Client's application running if the Provider ends the Agreement.