



1. SERVICE DESCRIPTION

Service Overview

BT will provide the Customer with a limited, non-exclusive, non transferable and terminable licence to access and to use the online accounting solution (“the Service”) for small businesses provided by Xero Live Ltd (“Xero”) for Customers of BT. Additional Xero related services may also be provided by BT as agreed with the Customer. The scope of the Service(s) to be provided to Customers is described in Table A below which identifies the included features of the Service. The provision of the Service(s) by BT shall be subject to the provisions as set out in this Service Schedule. Table A

Xero is an online accounting system designed for small businesses and their advisors, including:

access to a dashboard, providing real-time view of your business; banking reconciliations with bank statements easily imported; contact management; ability to create, send, receive and report on invoices; view and manage how much money you owe; expense claim management; and reporting capabilities.

1.2 Unless otherwise stated in this Contract BT or BT’s Supplier will provide the Service(s) off-site and BT or BT’s Supplier may utilize off-shore staff in the provision of the Service(s).

1.3 In no case shall the cost be reduced, refunded or substitute service(s) be provided even if the Customer does not require the implementation of certain features contained in the Service.

Commencement

1.4.1 The Contract will begin upon signature of both the Order Form by both parties and will continue until terminated by the Customer or BT in accordance with this Contract.

Service Start Date

1.5 The Service Start Date will be the date agreed between BT and the Customer and as stated on the Order Form.

Minimum Period

1.6 The Minimum Period is 12 months, or any other period stated on the Order Form, as agreed between the Customer and BT.



2. SERVICE LEVELS

2.1 If BT fails to achieve the Service Levels in paragraphs (a) and (b) below, then the Customer may claim the relevant Credits. These Service Levels apply to the product unless otherwise stated in this Service Schedule or in the Order Form.

(a) **Service Start Date** - BT/BT's Supplier fails to achieve the Service Start Date as notified by BT to the Customer, the following will apply:

Service Credit *1 (where service is provided more than 48 hours after agreed Service Start Date)	Credit equivalent to 1 month's access fee
Service Credit **2 (where service is provided more than 72 hours after agreed Service Start Date)	Credit equivalent to 1 quarter's access fee

(b) **Service Availability** - The Service availability falls below the system availability levels below, the following will apply:

SYSTEMS AVAILABILITY %	SERVICE CREDITS %
99.98	0
99.69- 99.97	5
99.59 - 99.68	8
99.49 - 99.58	10
99.39 - 99.48	12
99.29 - 99.38	15
99.28 or below	20

i)The Service Credit is a credit equivalent to a % of the annual subscription licence fee given as a credit against the next annual subscription licence fee payable.

ii) If the Customer terminates the contract prior to the next annual subscription licence fee becoming due, the Service Credit will not be payable by BT/BT's Supplier.

2.2 Payment of Service Credits

(a) **Service Start Date** - To qualify for Service Credit *1 and **2 for failure to achieve Service Start Date, and before any Service Credit(s) can be applied, the Customer must make a claim, providing full details of the reason for the claim, within 25 days of the end of the month in which BT failed to meet the agreed Service Start Date.

(b) **Service Availability** - If the service falls below the systems availability set out in 2.1 (b) above, BT/BT's Supplier will normally apply the appropriate credit automatically.

(c) Service Credits will normally be made by deduction from the Customer's invoice within two billing cycles of a claim being received.

2.3 General Exclusions

- (a) Service Credits are limited to the amounts set out in 2.1 (a) and (b) above and are the Customer's sole right and remedy if BT does not meet the Service Levels.
- (b) Only measurements carried out by BT shall be used in the calculation of Service Credits.
- (c) The Service Levels do not apply;
 - (i) if the Customer does not provide access, delays providing access or denies permission for BT or its agents and suppliers to carry out its obligations under Contract;
 - (ii) if failure to achieve the Service Levels is due to matters beyond the reasonable control of BT as detailed in the General Terms and Conditions; or
 - (iii) if the Customer has not complied with the Contract.

Support Services

- 2.5.1 Supplier shall provide maintenance services such that the Software supplied operates and conforms to the Software specifications as detailed in the Xero user documentation as provided in the Xero Help Centre (<http://help.xero.com/>)
- 2.6 **Telephone and Email Support Service.** BT's Supplier will provide second line email ("Email Support Service") 24 hours a day, Monday to Friday (excluding Bank Holidays) to the Customer. ('Email Support Hours') with a response to the Customer within 6 hours, 24 hours a day, Monday to Friday.
- 2.7 All response times are estimates and are not guaranteed except as stated in paragraph 2.1 above.
- 2.8 Any failure to meet the Service Levels or Response Times shall not be considered a material breach of this Contract.

3. RESPONSIBILITIES OF THE CUSTOMER AND BT

General

- 3.1 The Customer agrees to provide BT/BT's Supplier with assistance according to any instructions BT/BT's Supplier may give and to provide BT with reasonable access and information requested such as, but not limited to, email address, account details, for the purposes of the Contract.
- 3.2 All training and discovery (if required or agreed within the Order Form) will be provided by English speaking staff.
- 3.3 The Service software may contain third party software and services, which are subject to additional terms and conditions. These terms and conditions are available on our supplier's website (<http://www.xero.com/terms/>). By using the Service software, you are also agreeing to be bound by these terms.

Service:

3.4 BT will provide to the customer access to Xero Online Accounting Solution.

4. CHARGES

Pricing

4.1 Charges for the service are as stated on the Order Form.

4.2 BT will charge the Customer the Annual Subscription Licence Fee by monthly instalments payable on a quarterly basis. ("monthly access fee")

General

4.3 The Customer must pay the charges for the Service(s) which are set out in the Order Form

4.4 Unless otherwise specified, the charges will be as set out in the Order Form.

4.5 In the event that any taxes are assessed on any item delivered under the Service(s) (other than income taxes on BT's income), the Customer will pay such taxes or reimburse BT if BT paid such taxes. Amounts owed under this paragraph will be paid in accordance with paragraph 4.6 below.

4.6 If the Customer does not notify BT of an address to which bills may be sent, BT will send the bills to the address supplied by the Customer on the Order Form or if the Customer is a limited company to its registered address.

4.7 Payment is due within 28 days of the date of BT's bill.

4.8 Clause 4.11 of the Conditions will not apply to the Service(s). In the event that the Customer in good faith disputes any portion of BT's bill, then the Customer will pay the undisputed amount in full together with written documentation identifying and supporting the dispute

4.9 The late payment charge payable under clause 4.12 (a) of the Conditions will be equivalent to the difference between the amount calculated in accordance with clause 4.12 (b) of the Conditions and the amount due for such late payment at the rate prescribed by the Payments of Commercial Debts (Interest) Act 1998.

Service Cancellation terms and Charges

4.10 The cancellation charges referred to in clause 6.1 of the Conditions are as follows;

- a) Any amounts pre-paid to BT will not be refunded and Customer will pay the hourly rate of BT for hours work above any pre-paid amounts up to date of termination. If BT terminates the Service(s) or Statement of Work due to no fault of the Customer, then BT will refund any pre-paid amounts for which the Service(s) have not been provided.

Early Termination Charges

- 4.11 If the Customer terminates within the Minimum Period, the customer will pay BT the balance of the full Annual Subscription Licence Fee (plus VAT) due for the remainder of the 12 month minimum period.

5. ADDITIONAL CONDITIONS

Changes to Contract

- 5.1 BT will provide details of any changes (including the charges) to the Customer using the email address provided by the Customer on the Order Form or the Statement of Works at least 30 (thirty days) in advance of the changes coming into effect.

Changes to Service(s) or Additional Service(s)

- 5.2 The Customer may contact BT to request changes or additional Service(s) and may order such additional Service(s) from BT which BT's Supplier will perform for the Customer following receipt of an Order Form.
- 5.3 Access for an individual organisation may be terminated in accordance with Clause 6 of the Conditions or as otherwise set out in the Statement of Work.
- 5.4 If the Service(s) or Contract is ended by either party for any reason, the following provisions will apply with effect from the date of termination:
- (a) rights/licence granted to BT or the Customer under the Service(s) or Contract will cease and become null and void;
 - (b) all earned and unpaid fees and expenses payable under the Service(s) or Contract will become immediately due and payable;
 - (c) the Customer will pay for BT's time, materials and Service(s) related expenses within 10 days of receipt of BT's bill for the Service(s).

Limits of Liability

- 5.5 Subject to clauses 7.2, 7.3 and 7.4 of the Conditions, the Customer and BT accept liability to the other in contract, tort (including negligence), breach of statutory duty or otherwise for direct loss limited to the fees due to BT for the provision of the Service(s).

Intellectual Property Rights

- 5.6 Clauses 8.5 and 8.6 of the Conditions will not apply to the Service(s).
- 5.7 This is not applicable in this instance, and is covered by the Xero Terms and Conditions.

Confidentiality

- 5.8 In addition to the provisions of clauses 8.8 and 8.9 of the Conditions, each party agrees that, in addition to any other remedy available to it, the disclosing party shall be entitled to seek both temporary and permanent injunctive relief to the extent permitted by law for a breach or threatened breach of clauses 8.8 and 8.9 of the Conditions.
- 5.9 The Customer acknowledges and agrees that BT shall be entitled to pass on a copy of the Customer Order Form to BT's Supplier in order to fulfil its obligations under the Contract.



Resale

5.10 The Service(s) and any associated software is provided solely for the Customer's own use and the Customer will not resell or attempt to resell the Service(s) (or any part or facility of it) to any one else.

Acceptance & Performance

5.11 BT/BT's Supplier will notify the Customer when the service(s) have been provided and made available to the Customer. The Customer shall have thirty (30) days to provide written notification to BT detailing any deficiency. BT via BT's Supplier will promptly remedy any such deficiency and will re-notify the Customer as per the process stated above. This process may be repeated until all deficiencies have been corrected. Re-performance of the Service(s) will be the Customer's exclusive remedy under this Contract..

6. DEFINITIONS

In this Service Schedule the following term, in addition to those stated in clause 10 of the Conditions, has the meaning shown next to it:

Monthly

Access Fee means the payment of the Annual Subscription Licence Fee (excluding any taxes and duties) payable by monthly instalments payable by you in accordance with the Order Form

Business Day means Monday to Friday during the hours of 09:00 to 17:00 excluding any public holidays.

BT's Supplier means Xero Live Ltd whose registered office is at 15 Palace Street, Norwich, Norfolk, NR3 1 RT

Service Credit means a credit of the charges which the Customer may claim from BT if BT fails to meet a Service L which is calculated in accordance with the Charges.

Subscription Licence Fee Means the annual licence fee due for the year payable in instalments as the monthly Access Fee.

Service means, the provision of access to the Xero Online Accounting Solution