UNIT4

In Business for You

Contracting with Unit4 –

An Introductory Guide

July 2022

Contents

Introduction

We all know that putting clear contracts in place is an essential element of any business relationship so that both parties can understand their respective rights and obligations. Agreeing a contract can be an arduous, complex and frustrating experience. Sometimes this is because we are given documents to review without any proper context or background. With this note we are seeking to explain how we at Unit4 go about contracting and share with you some key principles that are important for us both. It is not intended to form part of our contract and is for information purposes only.

Unit4's Products and Services

Unit4 offers a range of products of services, mainly financial, human capital management and ERP software solutions. While Unit4 still has some legacy on-premise solutions (see below) that it provides to customers, most Unit4 offerings are now sold in the SaaS (software as a service) model. This means that customers access the service via the internet, data is backed up by Unit4 and updates are automatically applied to the service. Unit4's SaaS solutions are hosted on the Microsoft Azure or AWS platforms with all the security, disaster recovery and resilience that they deliver. All customers will generally be on the same version enabling Unit4 to provide a consistent and harmonized service. Having customers use the same version allows for a more cost-effective delivery of solutions which benefits both Unit4 and our customers (in providing more competitive pricing).

Even though customers will generally be on the same release of the solution, many of Unit4's products are highly configurable, which enables customers to make adaptations to fit their own requirements.

Having customers on the same release of our SaaS solution means that Unit4 can apply consistent support, hosting services, approaches to data protection and security. This standardisation allows Unit4 to maintain high service levels, excellent levels of security and protection. This is a key reason why we seek to ensure all customers are subject to the **same contractual terms**. Please also keep in mind that our contractual terms have been designed for our offerings and are not generic procurement style terms.

On-premise solutions involve the provision of a software solution which is hosted on a customer's servers or third party servers. These solutions frequently have to be maintained and supported separately meaning they do not have the cost and standardisation benefits of a SaaS solution.

Unit4 can also provide what we call 'Professional Services' including services such as solution design, consulting, engineering and project management.

Unit4's Contractual Documents

At Unit4, we try to make our contracts user friendly and easy to consume in bite size chunks. Our contracts are modular, meaning they are broken up into several parts, some which apply to all customers and others only where you buy a specific product. Our starting point is the Sales Order – the purpose of this document is to identify the contracting parties, the products

and services being provided to customers and corresponding prices. This is a document that is created for each customer individually. We then have a number of documents that we make available to customers online (incorporated into the contract by reference):

- standard general terms and conditions setting out basic provisions like contract duration, payment terms, ownership of intellectual property, limitation of liability, etc. We cover some of these in a little more detail below;

- product and service terms which describe in more detail what is being provided by Unit4;

- third party terms if a customer is purchasing third party products or services being delivered by Unit4, and

- applicable Unit4 policies (e.g. data protection, security, etc).

In addition, if professional services are being purchased, then there will likely be a statement of work describing the specific work to be undertaken. As this will always be tailored for each customer project, it is not a standard document we keep online.

All of these elements together comprise the contractual relationship between Unit4 and its customers. It is our intention that our terms of business are clear and transparent and that our customers understand the basis of our relationship.

Security and Protection of Customer Data

Protecting our customers' data is absolutely top of mind for Unit4. All our cloud based systems are designed from the ground up with security in mind and best in class controls, processes, policies and procedures to ensure that customer data is kept secure.

Unit4 has close partnerships with Microsoft and AWS as the foundation for our SaaS solutions. Their infrastructure is designed with the deepest level of security in place and sets the standard for cloud based solutions hosting millions of customers' data simultaneously providing a trustworthy foundation for businesses to meet their security requirements.

To manage our infrastructure the Unit4 operations team use all of the cloud native security controls provided by our infrastructure partners mentioned above. All systems are regularly patched and maintained removing the need for customers to manage this task. All data is encrypted at rest, is fully backed up, designed with fault tolerance and scalability in mind and is regularly disaster recovery tested. Regular vulnerability scanning and penetration testing is carried out across all of our cloud platforms.

For our cloud native ERPx system, our R&D team have a mature software delivery lifecycle which mandates that during design, implementation, verification and deployment phases, all code must pass certain security checks.

All staff across Unit4 are mandatorily trained on emerging security threats and issues and are vetted (subject to local laws) prior to employment. All of our controls follow best practice and are designed to ensure that customer data is kept confidential, cannot be tampered with and is available when needed.

Customer data belongs to the customer and determines how it accessed and used. Unit4 may use this data in an anonymised way for creating analytics (without identifying the customer). Should our relationship with a customer comes to an end, Unit4 will make available a copy of all customer data in an agreed format.

We seek to apply a standard approach to security and data privacy that protects all customers. By providing a standard approach, it enables Unit4 to maintain consistently high levels of security for customer data. By taking a standard approach it means that Unit4 is unable to follow individual customer security policies.

Compliance: In the performance of its services, we will comply with all laws both domestic and international that apply to Unit4.

Performance and Service Levels

Unit4 commits to delivering its services against specified availability targets. Should for any reason Unit4's service levels drop below its standard service levels, customers are entitled to claim service credits. These service levels are the same for all customers in light of our standard delivery model. To ensure a consistent level of service to all of our customers, we ask that our customers do not overuse or mis-use the services made available them (fair usage). If this does occur, we will notify our customers and seek ways to remedy the situation.

Pricing

Unit4 SaaS services are provided on a subscription model (payable annually in advance) based on number of employees (or other metric such as FTE employees or other types of user). Subscription fees may not be reduced during the contract term and customers may not partially terminate the services they have contracted for in a sales order. Annual indexation increases are built into our pricing model usually based on local consumer price index or an equivalent index.

Contract Duration

Three years is the default minimum term for Unit4 SaaS services during which the contract may not be terminated for convenience. This gives customers the reassurance of continuity of service and a full commitment to customer by Unit4. Where there has been a minimum term of at least 3 years, the contract automatically extends for subsequent three year periods. The contract can be terminated on two months' notice before the expiry of either the minimum term or a subsequent renewal period.

Implementation Partners

Unit4 can provide implementation, consultancy and other services to assist customers implement and configure software solutions. Unit4 also has an ecosystem of partners who are authorised and approved to provide similar services. These partners are accredited by Unit4 and must demonstrate that they are up to date with all Unit4's products, services and practices. Unit4 therefore encourages customers to use these approved services partners. Using

unapproved partners could mean that customerswill not benefit from properly trained and accredited services staff and may not receive advice and guidance which is up to date or accurate. Unit4 reserves the right to increase customer's recurring charges to compensate for additional effort required where unapproved partners have been used by customers.

Acceptance Testing

Unit4 provides its SaaS customers with a separate environment in which it can test updates before their use in its production environment. This way customers can be reassured as to the functionality and performance of upgrades introduced by Unit4.

Auditing

Unit4 requires a right to audit the use of its services by customers. This is to ensure that the services are being used in the way agreed to in the contract. If Unit4 plans to audit a customer, it will give plenty of notice and will always seek to carry out the audit in a way that does not disrupt customer operations.

IPRs and Indemnification

Given the nature of the type of services being offered by Unit4 our intellectual property rights are of great importance to us and we require our customers to take reasonable steps to enable Unit4 to protect its intellectual property. Of course, our customers need to have confidence that the intellectual property is owned by or that Unit4 has the right to provide the service. To this end, Unit4 offers an unlimited indemnity to customers if Unit4 is found to be infringing a third party's intellectual property rights. If a third party does bring a claim against the customer asserting that Unit4 has breached its intellectual property, then Unit4 will take control of the claim.

Limitation of Liability

Other than certain types of matter that cannot generally be excluded by law (e.g. fraud, death or personal injury, etc.), Unit4 will not be liable for more than one year's fees paid by customer to Unit4. In addition, we will not be liable to each other for matters that are regarded as indirect or consequential damages. We believe that our position on liability strikes a fair balance for the risk that Unit4 assumes and the charges we seek in exchange for our services.

Customer References

Customers are the best source of validation of the value received from our products and services. As a result, we ask customers to provide testimonials as to their experiences. These testimonials can come in the form of a sales or analyst reference, a published case study, customer video or the like. All representations are customers' honest representation and nothing is released without consent. As such, we ask for agreement to become a reference and to allow us to present your corporate logo on exhibits that list active customers.