

VALUE ADDED RESELLER AGREEMENT

Agreement Number _____

Effective the _____ day of

_____ 200_____

By and Between:

("the Value Added Reseller", or "the VAR")

and:

PANACEA Workflow Systems Limited (registered number 3563603) whose registered office is at Runnymede Malthouse, Egham, Surrey, TW20 9BD, UK

("the Company")

WHEREAS

the Company has agreed to provide program and support services to the VAR upon the terms and conditions of this Agreement.

OPERATIVE PROVISIONS**1. DEFINITIONS**

In this agreement unless the context otherwise requires:

- 1.1. "Documentation" shall mean any user manuals, release notes, installation notes, and other materials in any form provided in conjunction with the Licensed Software Products.
- 1.2. "End User" shall mean that entity which acquires the Licensed Software Product for its own use, is granted a sub-license by the VAR, and which has no right to sub-license or transfer the Licensed Software Product to any third party.
- 1.3. "Internal Use License" shall mean use of the Licensed Software Product by the VAR for purposes of
 - a. developing software that integrates with the Licensed Software Product,
 - b. internal training/support use, and
 - c. customer demonstration purposes.

- 1.4. "Licensed Software Product(s)" shall mean the software in object code set forth in Exhibit A, together with the Documentation provided by the Company, expressly for distribution under this Agreement to End Users.
- 1.5. "License Key" shall mean an encrypted character string in any form provided by the Company to the VAR and/or End User to initialise or enable use of the Licensed Software Products.
- 1.6. "Product" shall mean the Licensed Software Product(s), Documentation, and Support Services as listed in Exhibit A (Licensed Software Products) and Exhibit C (Support Services).
- 1.7. "Release" shall mean any update, enhancement, or bug-fix of a Licensed Software Product which is substantially similar to and is marketed under the same product number and nomenclature. A release is designated by a number to the right of the decimal point (such as V.x.1 or V.x.2 or x.2.2).
- 1.8. "Territory" shall mean the geographic area in which the VAR primarily resells the Company's Product. The Territory for this Agreement is defined specifically in Exhibit D.
- 1.9. "Version" shall mean a specific edition of the Licensed Software Products and is designated by a number located to the left of the decimal point (such as V1 .x or V2.x).. Each new Version of the Licensed Software Products contains significant functionality changes or improvements.

2. PURPOSE

- 2.1. Recital: the Company creates and Licenses software which are versatile client applications used for support and business practices. The VAR desires to become the sales representative of the Licensed Software Products, subject to the restrictions set forth in this Agreement.
- 2.2. Reseller Programs: the *PANACEA Champion* not only provides additional sales coverage for the Company, but also provides value in front line support services and system integration components (the VAR's value added services are indicated in Exhibit H- the VAR Value Added Definition) for corporate accounts, along with consulting and training services.

VALUE ADDED RESELLER AGREEMENT

- 2.3. The VAR Appointment: the VAR's sole authority shall be to market and solicit orders for PANACEA Products in accordance with the terms of this Agreement. The VAR will have no power or authority, express or implied, to make any commitment or incur any obligations on behalf of the Company. The VAR may act as a distributor to other Remedy VAR's in the territory but may not resell PANACEA Product to another PANACEA reseller.
- 3. LICENSE GRANT AND RESTRICTED USE**
- 3.1. The Company Licenses for use the Licensed Software Products and this is not an agreement for sale. The Company retains title to, ownership of, and all proprietary rights with respect to the Licensed Software Products and all copies and portions thereof. The Company retains rights to all copyrights, trademarks, patent rights, trade secret rights and other intellectual property rights with respect to any Licensed Software Products and derivatives thereof.
- 3.2. The Company grants to the VAR a non-exclusive License to market and sub-License Licensed Software Product to End Users only in conjunction with the VAR's product or services and as expressly permitted by this Agreement. The VAR must have each End User execute a Sub-License Agreement which, (1) adequately protects the Company's intellectual property rights, and (2) contains terms that are materially consistent with the terms set forth in the License Agreement. The VAR shall submit its proposed Sub-License Agreement to the Company for review. The VAR shall provide the End User with a copy of the terms of the Sub-License Agreement prior to accepting any order for the PANACEA Product from the End User
- 3.3. The Company grants to the VAR and End User a non-exclusive, non-transferable right to use the software programs recorded on magnetic media in association with its Documentation. The software License is subject to payment of a one time License fee. The software is protected among other ways by national copyright law, international treaty, and trade secret. Unauthorised copying of this software, including software that has been modified, merged or included with other software is expressly forbidden. The VAR and End User shall not (and shall not allow any third party to) remove any product identification, trademark, copyright or other notices, decompile, disassemble, modify, examine or otherwise reverse engineer or attempt to reconstruct or discover any source code or underlying ideas or algorithms of the software by any means whatever, unless:
- a. such modification or discovery of the source code is indispensable to obtain the information necessary to achieve the inter-operability of an independently created computer program with the Licensed Software Products and
 - b. before such modification or discovery the Company has been asked in writing to provide such information, and the Company has not done so within a commercially reasonable period of time
- 3.4. The VAR and End User will have no right to receive any source code with respect to any Licensed Software Products.
- 3.5. The Company warrants to the VAR that the Licensed Software Product is and will be the product of original development efforts by the Company and its licensors or is within the public domain, and that the Company has the full power and authority to grant the VAR and End User Licensees the rights described in this Agreement.
- 4. TERM**
- 4.1. Term: Unless terminated earlier as provided herein, this Agreement is effective for one (1) year from the Effective Date of this Agreement. All orders placed against this Agreement must be received by the Company no later than the last date of the Term, and delivery of orders received on the last Effective Date must occur within a reasonable time frame.
- 4.2. Renewal: Upon expiration of this Agreement, the Company and the VAR may elect to:
- a. extend the term of this Agreement by mutual written amendment,
 - b. enter into negotiations for the creation of a new Value Added Reseller Agreement, or
 - c. decline to enter into a new arrangement.
- 5. SALE OF PRODUCTS**
- 5.1. The Company will provide the VAR with the Company's current price lists, delivery schedules, standard License agreement(s) (Exhibit F) and standard terms and conditions of sale, as established from time to time. The Company may alter these provisions at will provided that the Company gives prior written notice to the VAR of any changes. Each order shall be governed by the prices, delivery schedules, License, and terms and conditions in effect at the time the order is accepted.

VALUE ADDED RESELLER AGREEMENT

- 5.2. The End User shall submit a purchase order for Products to the VAR. The VAR shall then submit a written purchase order to the Company specifying the End User company name, technical contact name, phone/fax/email numbers, shipping address, product name/numbers and quantities, specific computer information (such as platform), and any other information reasonably requested by the Company in order to fulfil the order. The Company will ship Product directly to the End User or the VAR, as specified in Exhibit J (the VAR Shipping Directions). The Company will generate a License Key for Licensed Software Product for each order received from the VAR.
- 5.3. The Company shall have the sole right of credit approval or credit refusal for the VAR's credit line with the Company.
- 5.4. Product Availability: Under no circumstances shall the Company be responsible to the VAR for its failure to fill accepted orders, or for its delay in filling accepted orders, when such failure or delay is due to any cause beyond the Company's reasonable control.
- 6. THE VAR OBLIGATIONS**
- 6.1. Prior to becoming a Value Added Reseller for the Company, the VAR must provide the Company with a Business Plan describing the VAR's business, the market segment they serve, platforms supported, the value they add to the Company's product, a company organisational chart, and product and revenue forecast. The format for the required Business Plan is included as Exhibit E.
- 6.2. The VAR will use its reasonable commercial efforts to successfully market, distribute and support Licensed Software Product within the VAR's Territory on a continuing basis, including advertising and direct solicitation. The VAR will follow up on all advertising inquiries from prospective End Users within the Territory and call on existing End Users at reasonable periodic intervals.
- 6.3. The VAR may advertise the Licensed Software Products outside the Territory and solicit orders from outside the Territory without the advance written consent of the Company.
- 6.4. The VAR will provide complete names, business address(es), phone/fax numbers, and email address(es) for the VAR personnel who are involved in technical, training, or administrative functions for the purposes of this contract on Exhibit I. This Exhibit I should be updated by the VAR on a quarterly basis or more frequently if significant changes are made.
- 6.5. Training of the VAR Personnel:
a. The Company will train the VAR sales and support staff dedicated to the PANACEA product line.
- 6.6. Good communication between the parties is essential to the success of this Agreement. The VAR must have an active Internet electronic address for the VAR personnel listed as key contacts in Exhibit I
- 6.7. Before the VAR can represent a particular platform for the Company, the VAR must have the specified hardware and platform installed and fully operational at the VAR site.
- 6.8. The VAR shall use reasonable commercial efforts to keep the Company informed as to any problems it encounters with the Licensed Software Product and any resolutions arrived at for those problems, and to communicate promptly to the Company any modifications, design changes or improvements suggested by any End User, customer, or employee.
- 6.9. The VAR will conduct its business in a manner which favourably reflects upon the Company and the Company's Licensed Software Products.
- 6.10. The VAR will maintain an accurate and complete file of all End Users and other entities to which the VAR distributes a Licensed Software Product or provides an evaluation, including the name and address of such End User or entity, the License Key given for the Licensed Software Product, the date of delivery of the Licensed Software Product and the License agreement.
- Not more than once a year (upon the Company request), the VAR will permit an independent auditor, under non-disclosure with the VAR, to examine and audit such records relevant to License and/or support fees and any related records during reasonable business hours within 30 days of written request by the Company. If such an audit uncovers a deficiency in payments of more than 5% of annual payments, the VAR shall bear the audit expenses and may be subject to more frequent audits.
- 6.11. The VAR will comply with good business practices and all laws and regulations relevant to this Agreement on the subject matter hereof.
- 7. THE VAR COVENANTS AND REPRESENTATIONS**
- 7.1. Except as expressly and unambiguously stated herein and as a condition of the VAR's License hereunder, the VAR represents, warrants and agrees that: the VAR will not make, have made or permit to be made, by its employees or by any third party, any copies or translations of the Licensed Software Products, in whole or in part, except for the purpose of creating a back-up copy.

VALUE ADDED RESELLER AGREEMENT

7.2. The VAR will not modify or create any derivative work of the Licensed Software Products, except those provided in the Documentation, and will not reverse engineer, reverse assemble, decompile, or otherwise attempt to derive source code (or the underlying ideas, algorithms, structure or organisation) from the Licensed Software Products or from any other Company information necessary to achieve the inter-operability of an independently created computer program with the Licensed Software Products and before such modification or discovery the VAR has asked the Company in writing to provide the VAR with such information, and the Company has not done so within a commercially reasonable period of time.

7.3. In addition to and without in any way limiting the VAR's other obligations hereunder, the VAR will use the same or greater standard of effort to protect the Company's rights with respect to the Licensed Software Products as it uses to protect any other third party's software or intellectual property rights, and to provide immediate written notice when any License agreement is in violation to protect the Company as a third party software supplier.

8.. PAYMENT TERMS

8.1. Fees due to the Company for Product distributed by the VAR are the suggested End User fees set forth on the Company's then current International Price Lists less the applicable discount (see Exhibit B- Price and Discount), provided that under no circumstances the VAR is obliged to charge the fees set forth in the Company Price List to the End Users.

8.2. Normal payment terms are net thirty (30) days. All fees shall be deemed overdue if they remain unpaid 30 days after they become payable.

a. If fees are overdue, the VAR will receive notification from the Company that its status is "no ship." The Company has the right to stop shipment of any orders until payment for all fees to the Company are received.

b. Should the VAR order(s) exceed the VAR's credit terms with the Company or the Company determines that the VAR's ability to make payment is in doubt, the Company may (in its sole discretion), seek alternative guarantees of payment. For example, the Company may require that the VAR issue a stand-by letter of credit naming the Company's bank as the advising bank and the Company as the beneficiary, which contains terms and conditions as prescribed by the Company. Any additional costs due to the alternative guarantees of payment will be borne by the VAR.

8.3. Payment will be made in UK Sterling to the Company's corporate address.

8.4. In addition to any other sums payable hereunder, the VAR shall pay all charges, including without limitation, transportation charges, shipping insurance or duties, and shall be responsible for any and all taxes, import or export fees, excise taxes, and withholding taxes arising from use of the License and support of the Product (excluding taxes based upon the Company's income).

9. MARKETING

9.1. The Company will use reasonable commercial efforts to support the VAR in its efforts to market the Licensed Software Products and services. The Company offers training courses for the VAR's technical personnel. The Company will make available reasonable quantities of literature, collateral, and other materials the Company deems necessary for proper promotions and sales presentations of its Products. Additional quantities of literature, collateral, and other materials are available for purchase from the Company.

9.2. Joint Press Release Statements: the terms of this Agreement are confidential. However, the parties may elect to release joint press release statements upon the advance written consent of both parties.

9.3. Trademarks, Logo and Trade Names and any logo or other trademarks or trade names adopted by the Company to identify the products and services belong to the Company. The VAR shall have the right to indicate to the public that it is an authorised reseller of the Company's Products and to advertise such Products under the logo, trademarks, service marks, and trade names that the Company may adopt from time to time ("the Company Trademarks").

The VAR shall not alter or remove any of the Company's Trademarks applied to the Products. All representations of the Company Trademarks that the VAR intends to use shall first be submitted to the Company for approval, which shall not be unreasonably withheld, for approval of design, colour, and other details. The VAR agrees with respect to each of these trademarks to include in each use (such as an advertisement or brochure) the trademark symbol (™) and the following statement: "™ is a trademark of PANACEA Workflow Systems Ltd."

If any of the Company's trademarks are to be used in conjunction with another trademark on or in relation to the Products, then the Company's mark shall be presented equally legibly, equally prominently, and of at least the same size as the other mark but nevertheless separated from the other so that each appears to be a mark in its own right, distinct from the other mark. Effective upon the termination of this Agreement, the VAR shall cease to use all the Company Trademarks.

VALUE ADDED RESELLER AGREEMENT

9.4. The VAR's right to market and sub-License the Products is nonexclusive. Nothing in this Agreement shall be construed as limiting in any manner the Company's marketing or distribution activities or its appointment of other the VARs, OEMs, Licensees or agents in the Territory except as agreed in Clause 17.3

10. CONFIDENTIALITY

10.1. The VAR understands and acknowledges that by reason of its relationship with the Company, it will have access to certain information and materials concerning the Company's business, plans, customers, technology, and products that are confidential and of substantial value to the Company, which value would be impaired if such information were disclosed to third parties. The VAR agrees that it shall not use in any way for its own account or the account of any third party, nor disclose to any third party, any such confidential information revealed to it by the Company other than to fulfil its express Proprietary and Confidential obligations under this Agreement. The VAR will take every reasonable precaution to protect the confidentiality of such information.

10.2. The Company understands and acknowledges that by reason of its relationship with the VAR, it will have access to certain information and materials concerning the VAR's business, plans, and customers, that are confidential and of substantial value to the VAR, which value would be impaired if such information were disclosed to third parties.

The Company agrees that it shall not use in any way for its own account or the account of any third party, nor disclose to any third party, any such confidential information revealed to it by the VAR other than to fulfil its express obligations under this Agreement. The Company will take every reasonable precaution to protect the confidentiality of such information.

10.3. All customer lists, potential customer lists, marketing and financial information, business plans, and technical information, whether written or verbal, of both parties shall be deemed confidential information.

10.4. Licensed Software Products and all code, inventions, algorithms, know how and ideas obtained from the Company shall be deemed confidential information.

10.5. This Agreement is confidential and neither party shall make any public announcement of this Agreement or the relationship between the parties without the advance, written consent of the other party.

11. WARRANTIES

11.1. The Company warrants that the Licensed Software Products will perform in substantial conformance to the Documentation provided for a period of six (6) months from the date of delivery. The Company warrants the magnetic media containing software against failure during the warranty period. If the End User asserts a defect in the Licensed Software Products during the above mentioned warranty period, the Company shall be entitled at its own expense to replace the defective media with software which substantially conforms to the Documentation. If the replacement could not cure the defect, or if the Company refuses to replace the software or if replacement is unduly delayed, the VAR shall be entitled to claim refund or reduction of the purchase price paid.

11.2. THE COMPANY DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED WITHIN THE LICENSED SOFTWARE PRODUCTS WILL MEET END USER REQUIREMENTS, OR WILL OPERATE IN ANY COMBINATION WHICH MAY BE SELECTED FOR USE BY THE VAR OR END USER, OR THAT THE OPERATION OF THE LICENSED SOFTWARE PRODUCTS WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT ANY DEFECTS THAT MAY EXIST IN THE SOFTWARE WILL BE CORRECTED.

11.3. The Company shall not be liable under this warranty if its testing and examination disclose that the alleged defect in the Licensed Software Product does not exist or was cause by the VAR's or End User's or any third person's misuse, neglect, improper installation or testing, unauthorised attempts to repair or modify, or any other cause beyond the range of the intended use of the Licensed Products, or by accident, fire, lightning, or other hazard.

11.4. Returned Defective Media Process: the VAR will handle warranty returns from its customers and will be entitled to credit for amounts paid to the Company for the Licensed Software Products. The VAR will adhere to the Company's then current policy on return of defective media to the Company for exchange or refund.

12. TERMINATION

12.1. Termination for Convenience: By mutual agreement both parties may terminate this Agreement for convenience upon thirty (30) days written notice to the other party.

VALUE ADDED RESELLER AGREEMENT

- 12.2. Termination for Cause: Upon default in the performance of any provision of this Agreement, the non-defaulting party will issue a written notice to the defaulting party and if the default is not cured, or the defaulting party does not submit a Plan for Cure acceptable to the non-defaulting party, then the Agreement shall automatically terminate within thirty (30) days.
- a. In the event the Company determines that the VAR did not use its best efforts to market the Licensed Software Products, the Company is entitled to immediately terminate this Agreement.
 - b. In the event the VAR violates the License Grant and user restrictions in Article 3, the Company has the right to immediately terminate this Agreement.
 - c. If the VAR has not achieved sales of Product for a 120 day period, or has significantly missed their forecast and sales goals (Exhibit G), the Company may terminate this Agreement immediately.
 - d. In the event the VAR fails to comply with payment terms (Article 8), the Company has the right to immediately terminate this Agreement.
- 12.3. Termination for Insolvency: Either party may terminate this Agreement immediately upon written notice in the event the other party shall
- a. become insolvent or file or have filed against it a petition for bankruptcy or other motion for or based on bankruptcy or insolvency (which is not dismissed within thirty (30) days after it is filed), or
 - b. make an assignment for the benefit of creditors, or
 - c. dissolve or cease to business in the ordinary course.
- 12.4. Rights Upon Termination: the Company's sole obligation to the VAR upon termination shall be for delivery of paid for but undelivered Product to End Users. All trademarks, service marks, trade names, patents, copyrights, drawings, other data, financial information, business plans, photographs, demonstration units, literature, software, and sales aids of any kind shall remain the property of the Company. Within thirty days after the termination of this Agreement, the VAR shall ship all such items in its possession to the Company, at the Company's expense. Effective upon the termination of this Agreement, the VAR shall cease to use all the Company Trademarks.
- 13. PATENT AND COPYRIGHT INDEMNIFICATION**
- 13.1. The Company shall, at its own expense, defend any suit instituted against the VAR and indemnify the VAR against any award of damages and costs made against the VAR by a final judgement of a court of last resort based on the claim that any of the Licensed Software Product or services furnished by the Company under this agreement constitutes an infringement of any European Economic Community third party patent or copyright, provided that the VAR gives the Company immediate notice in writing of any such claim, permits the Company to defend the suit, and gives the Company all available information, assistance, and authority to do so. The Company shall control any such suit, including appeals, and all negotiations to effect settlement. If the Licensed Software Product or any services furnished hereunder become, or in the opinion of the Company may become the subject of a claim of infringement, the Company may, at its election and expense:
- a. procure for the VAR and its sub-Licensees the right to continue using the same,
 - b. replace or modify the same so it becomes non-infringing, or
 - c. grant the VAR a refund for such Licensed Software Products based upon a three-year straight-line depreciation schedule. The Company shall not be liable for any costs or expenses incurred without its prior written authorisation.
- 13.2. The Company shall, however, have no liability to the VAR under this section if any patent or copyright infringement is based upon or arises out of:
- a. compliance with designs, plans or specifications furnished by or on behalf of the VAR as to the Licensed Software Product or services,
 - b. alterations of the Licensed Software Product or services by the VAR,
 - c. failure of the VAR to use updated Licensed Software Product or services provided by the Company for avoiding infringement,
 - d. use of Licensed Software Product or services in combination with software or apparatus or devices not recommended by the Company,
 - e. use of Licensed Software Product or services in a manner for which the same was neither designed nor contemplated, as evidenced by the Company published specifications, or

VALUE ADDED RESELLER AGREEMENT

- f. a patent or copyright in which the VAR or affiliate or subsidiary of the VAR has any direct or indirect interest by License or otherwise.
- 13.3. THE FOREGOING STATES THE ENTIRE LIABILITY OF THE COMPANY FOR, OR RESULTING FROM INTELLECTUAL PROPERTY INFRINGEMENT OR CLAIM THEREOF.
- 14. EXPORT RESTRICTIONS**
- 14.1. The VAR will comply with all export laws, restrictions, and regulations of the Department of Trade and Industry or other United Kingdom or foreign agency or authority.
- 15. LIMITED LIABILITY**
- 15.1. Notwithstanding the above warranties, the Company shall in no event be liable for damages of any kind, including indirect and consequential damages, or loss of revenue, whether based on contract or tort, including statutory warranties arising from the purchase agreement, culpa in contrahendo (i. e. negligence in the course of entering in the License Agreement), and positive breach of contract (i. e. faulty contractual performance other than delay or impossibility).
- 15.2. This limitation shall not apply to any damages, (1) which result from the breach of any warranties for fitness for a particular purpose, (2) for which the Company is liable pursuant to the provisions in the German Product Liability Code, (3) which result from the Company's breach of any secondary but essential contractual duties endangering the License Agreement's object, or (4) arising from gross negligence or intent by the Company's executives or managing employees.
- 16. FORECASTS**
- 16.1. The VAR shall provide the Company with a revised, rolling, quarterly forecast. The frequency that this forecast will be provided by the VAR is specified in Exhibit G.
- 17. BEST EFFORT TO MARKET**
- 17.1. During the term of this Agreement, the VAR agrees to use its best efforts to market the Licensed Software Products in the Territory.
- 17.2. The VAR shall pursue aggressive sales policies and procedures to realise optimum sales potential for the Company Products in the Territory. In the event that the Company determines that the VAR materially violated its obligation under this Agreement to use its best efforts to market the Licensed Software Products, the Company shall be entitled to terminate this Agreement in accordance with Section 12.2 of this Agreement.
- 17.3. This is a non-exclusive Agreement. The Company reserves the right to solicit orders from and sell directly to End Users, other Resellers, and OEMs within the Territory.
- 18. INDEPENDENT CONTRACTORS**
- 18.1. The VAR is an independent contractor in the performance of each and every part of this Agreement and nothing contained within the Agreement shall be construed to give either party the power to direct and control the day-to-day activities of the other party. The VAR is solely responsible for its business practices and all of its employees and agents and its labour costs and expenses arising in connection therewith.
- 18.2. Except as expressly provided herein, the Company shall have no right to exercise any control whatsoever over the activities or operations of the VAR.
- 18.3. Except as expressly provided herein, neither party shall represent itself as an agent or representative of the other.
- 19. ASSIGNMENT**
- 19.1. This Agreement and the rights hereunder are not transferable or assignable without the prior written consent of the parties hereto, except for rights to payment and except to a person or entity who acquires all or substantially all of the assets or business of a party, whether by sale, merger or otherwise.
- 19.2. The License provided hereunder is not sub-licensable except that the VAR may provide Licenses to End Users in accordance with the provisions of this Agreement.
- 20. GENERAL**
- 20.1. Notices: Notices under this Agreement shall be sufficient only if personally delivered, delivered by a major commercial rapid delivery courier service or mailed by certified or registered mail, return receipt requested to a party at its addresses first set forth herein or as amended by notice pursuant to this subsection. If not received sooner, notice by mail shall be deemed received 15 days after deposit in the UK or international mails.
- 20.2. Entire Agreement: This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter and supersedes all prior agreements or representations, oral or written, regarding such subject matter. No modification or amendment to this Agreement, nor any waiver of rights under this Agreement, shall be effective unless in writing signed by authorised representatives of both parties.

VALUE ADDED RESELLER AGREEMENT

21. SEVERABILITY

In the event any provision or part thereof of this Agreement is held to be invalid or unenforceable, the remaining provisions and parts of this Agreement shall remain in full force and effect.

22. WAIVER

the waiver by either party of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach.

23. PUBLICITY

The Company shall be at liberty to issue a press release or other public announcement concerning the entering into of this Agreement but shall take account of any reasonable requirements of the Customer as to the content, timing and manner thereof.

24. HEADINGS

Headings to clauses in this agreement are for the purpose of information and identification only and shall not be construed as forming part of this agreement.

25. LAW

This agreement shall be governed and construed in accordance with English law.

26. EXHIBITS AND SCHEDULES

the Exhibits and Schedules listed below are attached to and made part of this Agreement.sss

Exhibit A - Licensed Software Products

Exhibit B - Price and Discount

Exhibit C - Support Services

Exhibit D - Territory

Exhibit E - the VAR Business Plan

Exhibit F - the VARs Standard Terms and Condition of Sale, Price Lists, Sub-License Agreement

Exhibit G - the VAR Business Forecast

Exhibit H - the VAR Value Added Definition

Exhibit I - the VAR Contact Information

Exhibit J - the VAR Shipping Directions

Exhibit K - Standard End-User License Agreement

VALUE ADDED RESELLER AGREEMENT

IN WITNESS whereof this Agreement has been executed by the Company and by the VAR the day and year first before written

the VAR**the Company**

Signature _____

Signature _____

Name _____

Name _____

Title _____

Title _____

Date _____

Date _____

VALUE ADDED RESELLER AGREEMENT

EXHIBIT A - LICENSED SOFTWARE PRODUCTS

PANACEA WORKFLOW STUDIO (Single AR System server license) Option 1, Option 2 & Option 3
 PANACEA WORKFLOW STUDIO (Dual AR System server license) Option 1, Option 2 & Option 3
 PANACEA WORKFLOW STUDIO (Additional AR System server license) Option 1, Option 2 & Option 3
 RemChart Seat License (2 users)
 RemChart Seat License (3 to 10 users)
 RemChart Seat License (11 > users)
 RemChart Site/Server License
 Scapa Test and Performance Platform (STTPU50 through to STTPUENT)

EXHIBIT B- PRICE AND DISCOUNT

Product Code	Description	Price (UK £)	Price (Euro €)	Price (US \$)
WORKFLOW STUDIO				
Option 1 Licensing – Migration and Development/Administration Toolset				
<p>Migration tools includes Migrate to/from server, Comparison , Integrity checking, Import/Export to File(PTG), Scheduling migrations</p> <p>Dev/Admin tools includes Performance Analysis, Documentation, Server Cache (offline operations), Navigator/Cross referencing, Graphical Modeler v2, Comparison, Query Optimiser, Search Engine, Log debug tool</p>				
P-04-101 -	<i>Panacea Option 1</i> Dual AR System server License	7900	12245	14500
P-04-104	<i>Panacea Option 1</i> Single AR System server License	3950	6125	7250
P-04-103	<i>Panacea Option 1</i> Additional AR System server License (available after purchase of P-04-101)	2250	3500	4125
P-04-105	<i>Panacea Option 1</i> Graphical Modeler v2 Upgrade License – Single Server Option (available after purchase of P-04-101 or P-04-104)	500	775	950
P-04-201	Standard Support - Panacea Workflow Studio - Option 1 - Dual AR Server	900	1400	1710
P-04-204	Standard Support - Panacea Workflow Studio - Option 1 - Single AR Server	600	900	1140
P-04-203	Standard Support - Panacea Workflow Studio - Option 1 - Add. AR Server	300	450	570
Option 2 Licensing – Migration Toolset				
<p>Migration tools includes Migrate to/from server, Comparison , Integrity checking, Import/Export to File(PTG), Scheduling migrations</p>				

VALUE ADDED RESELLER AGREEMENT

P-01-102	<i>Panacea Option 2</i> Dual AR System server License	5000	7750	9500
P-01-104	<i>Panacea Option 2</i> Single AR System server License	2500	3675	4750
P-01-103	<i>Panacea Option 2</i> Additional AR System server License (available after purchase of P-04-101 or P-01-102)	1500	2325	2850
P-01-201	Standard Support - Panacea Workflow Studio - Option 2 - Dual AR Server	450	700	855
P-01-204	Standard Support - Panacea Workflow Studio - Option 2 - Single AR Server	300	450	570
P-01-203	Standard Support - Panacea Workflow Studio - Option 2 - Add. AR Server	150	225	285
Option 3 Licensing – Development/Administration Toolset Dev/Admin tools includes Performance Analysis, Documentation, Server Cache (offline operations), Navigator/Cross referencing, Graphical Modeler v2, Comparison, Query Optimiser, Search Engine, Log debug tool,				
P-02-102	<i>Panacea Option 3</i> Dual AR System server License	5000	7750	9500
P-02-104	<i>Panacea Option 3</i> Single AR System server License	3000	4650	5700
P-02-103	<i>Panacea Option 3</i> Additional AR System server License (available after purchase of P-04-101 or P-02-102)	2000	2940	3800
P-02-105	<i>Panacea Option 3</i> Graphical Modeler v2 Upgrade License – Single Server Option (available after purchase of P-02-102 or P-02-104)	500	775	950
P-02-201	Standard Support – Panacea Workflow Studio – Option 3 Dual AR Server	450	700	855
P-02-204	Standard Support – Panacea Workflow Studio – Option 3 Single AR Server	300	450	570
P-02-203	Standard Support – Panacea Workflow Studio – Option 3 Add. AR Server	200	300	380

VALUE ADDED RESELLER AGREEMENT

Product Code	Description	Price (UK £)	Price (Euro €)	Price (US \$)
REMCHART				
Rem-1a	<i>First 2 users (priced per seat)</i>	1250	1840	2160
Rem-2a	<i>Users 3 to 10 (priced per seat)</i>	500	775	900
Rem-3a	<i>Users 11 > (priced per seat)</i>	250	365	450
Rem-50	<i>Max 50 users</i>	12000	17910	21050
Rem-100	<i>Max 100 users</i>	17000	25370	29820
Rem-Site	<i>Site/Server License</i>	POA	POA	POA
Rem-Support	<i>Support</i>	12 % List		

Product Code	Description	Price (US \$)
SCAPA – Load & Performance Testing License		
STTPU50	<i>Up to 50 users</i>	\$ 7,500
STTPU100	<i>Up to 100 users</i>	\$ 15,000
STTPU250	<i>Up to 250 users</i>	\$ 30,000
STTPU500	<i>Up to 500 users</i>	\$ 50,000
STTPU750	<i>Up to 750 users</i>	\$ 65,000
STTPU1000	<i>Up to 1,000 users</i>	\$ 75,000
STTPU2000	<i>Up to 2,000 users</i>	\$ 120,000
STTPU5000	<i>Up to 5,000 users</i>	\$ 250,000
STTPU10000	<i>Up to 10,000 users</i>	\$ 400,000
STTPU25000	<i>Up to 25,000 users</i>	\$ 500,000
STTPUENT	<i>More than 25,000 users</i>	POA
Support	<i>15 % of list price</i>	

All prices in UK Pounds Sterling are exclusive of V.A.T..

The Champion VAR shall have a discount of 20% on all licensed Workflow Studio software products and support services. The discount amount will rise to 35 % on Workflow Studio software products and support services when the Champion VAR total monies paid to Panacea exceeds 30, 000 US \$ in any one financial year (a year defined by a Panacea financial year : June1 - May 31) . At the end of the financial year the discount will revert to 20 % for the Champion VAR for the following year, unless otherwise agreed with Panacea.

The Champion VAR shall have a discount of 20% on all licensed RemChart software products and support services.

The Champion VAR shall have a tiered discount ranging from 10 - 20% on all licensed Scapa software products and support services. The actual discount to be mutually agreed prior to quoting and being dependant on size and scope of project/site.

VALUE ADDED RESELLER AGREEMENT

EXHIBIT C - SUPPORT SERVICES

The Champion VAR shall provide additional sales coverage for PANACEA and front-line support on PANACEA Products, as well as any value-added integration or components provided by the VAR.

The Champion VAR shall pay the Company 80% (or 65 % when the Champion VARs total sales exceed 30, 000 US \$ in any one year) of the recommended list price of any Workflow Studio software licenses and 80% (or 65 % when the Champion VARs total sales exceed 30, 000 US \$ in any one year) of the recommended list price for support of these Workflow Studio software license that is to be on the VAR support contract with the End User.

The Champion VAR shall pay the Company 80% of the recommended list price of any RemChart software licenses and 80% of the recommended list price for support of these RemChart software licenses that is to be on the VAR support contract with the End User.

1. MAINTENANCE AND SUPPORT

- 1.1 "Software Support" shall mean responding to technical questions posed via telephone, facsimile or electronic mail during the Company's normal business hours.
- 1.2 "Software Maintenance" shall mean the release of new Releases of Licensed Software Products on an as-needed basis (determined solely by the Company) in order to correct "bugs" or to add functional enhancements.
- 1.3 The VAR Software Support and Maintenance
 - a. The Company will provide Software Support and Maintenance services for Licensed Software Products to the VAR. The Company agrees to expend commercially reasonable efforts to ensure that Licensed Software Products operate substantially in accordance with the technical specifications. If "trouble" calls are received from the VAR, the Company will use reasonable efforts to correct any "bugs" or other errors reported by providing an appropriate "patch", "fix" or "workaround," or by periodically issuing new corrective Releases of Licensed Software Products.
 - b. Support Hours: In performing Software Support services, the Company shall support the VAR during the business hours of 8:00 AM to 6:00 PM GMT, Monday through Friday, exclusive of UK Bank Holidays and the Company holidays.
 - c. In the event that travel and expense costs are incurred by the Company in the course of providing Software Support and Maintenance services, such travel and expense costs shall be payable by the VAR upon submission of the Company invoices to the VAR. Travel and expense invoices shall have payment terms of net thirty (30) days.

2. SOFTWARE UPDATES

- 2.1 The Company shall endeavour to enhance Licensed Software Products over time to provide further functions and features attractive to End Users. The End User support fee includes software updates which will be sent directly from the Company to the End User or to the VAR. The VAR will be provided software updates directly from the Company if annual maintenance fees are current.
- 2.2 Notwithstanding the above, the Company will provide to the VAR at no charge any Software Updates for Licensed Software Product which are provided to the Company's End Users at no additional charge.

3. SUPPORT AVAILABILITY

- 3.1 The Company agrees to offer maintenance and support for the Licensed Software Product for the prior two (2) Releases of the then current Version of the Licensed Software Product during the term of this Agreement.

EXHIBIT D – TERRITORY

No Restrictions

EXHIBIT E - THE VAR BUSINESS PLAN

Not Required

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EXHIBIT F - THE VARS STANDARD TERMS AND CONDITION OF SALE, PRICE LISTS, SUB-LICENSE AGREEMENT

Complete if required

EXHIBIT G - THE VAR BUSINESS FORECAST

Not required

EXHIBIT H - THE VAR VALUE ADDED DEFINITION

Not required

EXHIBIT I - THE VAR CONTACT INFORMATION

Primary Business Contact

Primary Accounts Contact

Primary Support Contact

EXHIBIT J - THE VAR SHIPPING DIRECTIONS

Ship to:

EXHIBIT K - STANDARD END-USER LICENSE AGREEMENT

PANACEA^M

LICENSE AGREEMENT

THIS IS A LEGAL AND BINDING AGREEMENT BETWEEN YOU, THE END USER, AND THE COMPANY LIMITED ("COMPANY"). YOU AGREE TO AND ACCEPT ALL TERMS OF THIS LICENSE AGREEMENT.

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- in the case of a media defect, to provide replacement media containing the Software, or
 - in case of a material non-conformance with specifications to use commercially reasonable efforts to correct such material non-conformance or, if such is not reasonably feasible, in the Company's opinion, to refund the Software License fee upon return of the Software and destruction of all remaining copies.
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- IN ADDITION, IN NO EVENT SHALL the COMPANY'S TOTAL LIABILITY RELATING TO OR IN CONNECTION WITH THIS AGREEMENT OR ANY SOFTWARE, WHetheR BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OtheRWise, EXCEED the ACTUAL AMOUNT PAID TO the COMPANY FOR SOFTWARE GIVING RISE TO the LIABILITY. IN NO EVENT SHALL the COMPANY BE LIABLE FOR the COSTS OF PROCUREMENT OF SUBSTITUTE SOFTWARE OR SERVICES.
8. **EXPORT.** You understand that the Software is subject to the export control laws and regulations of the United Kingdom, and you agree to fully comply with all U.K. export control laws and regulations.
9. **PATENT AND COPYRIGHT INDEMNITY.** The Company will defend, at its own expense, any legal action brought against you to the extent that it is based on a claim that the Software used within the scope of this Agreement directly infringes a United States patent or a United States copyright of a third party, and the Company will pay any costs and damages finally awarded against you in any such action that are attributable to any such claim or incurred by you through settlement thereof. However, such defense and payments are subject to the condition that you must: (i) notify the Company promptly in writing of such claim, (ii) permit the Company to have sole control of the defense, compromise or settlement of such claim, including any appeals, and (iii) fully co-operate with the Company in the defense or settlement of such claim, at no charge to the Company. The Company shall not be liable for any costs, damages or fees incurred by you in connection with such action or claim unless authorised in writing by the Company.

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Should the Software become, or in the Company's opinion be likely to become, the subject of any such claim, you shall permit the Company, at the Company's option and expense, to

- a. procure for you the right to continue using the Software,
- b. replace or modify the Software so that it becomes non-infringing, or
- c. terminate the right to use the Software and remove the Software, upon which termination you agree to promptly return and/or destroy all copies of the Software and certify the same to the Company, whereupon the Company will refund your License fee for the Software as depreciated on a straight-line three (3) year basis.

The Company shall have no liability for any claim of patent or copyright infringement which is based on

- a. The use of other than the then latest version of the Software, if such infringement could have been avoided by the use of the latest version,
- b. The use or combination of the Software with software, hardware or other materials not provided by the Company, provided such infringement would not have arisen but for such use or combination,
- c. use of the Software in a manner other than for which it was designed or contemplated as evidenced by the Company's published specifications,
- d. any modification by you or a third party of the Software,
- e. any compliance with designs, plans or specifications furnished by you or on your behalf, or
- f. a patent or copyright in which you or any your affiliates or subsidiaries has any direct or indirect interest by License or otherwise.

THIS SECTION 9 STATES the ENTIRE LIABILITY OF the COMPANY, AND YOUR SOLE AND EXCLUSIVE REMEDY, WITH RESPECT TO INFRINGEMENT OF ANY PATENTS, COPYRIGHTS, OR Other INTELLECTUAL PROPERTY RIGHTS, AND REMEDY SHALL HAVE NO ADDITIONAL LIABILITY WITH RESPECT TO ANY ALLEGED OR PROVED INFRINGEMENT.

10. **GOVERNING LAW.** This Agreement is governed by the laws of England without regard to conflict of laws rules and principles.
11. **INVALIDITY.** If any provision hereof shall be held illegal, invalid or unenforceable, in whole or in part, such provision shall be modified to the minimum extent necessary to make it legal, valid and enforceable, and the legality, validity and enforceability of all other provisions of this Agreement shall not be affected thereby.
12. **MISCELLANEOUS.** No delay or failure by either party to exercise or enforce at any time any right or provision hereof shall be considered a waiver thereof or of such party's right thereafter to exercise or enforce each and every right and provision of this Agreement. A waiver or amendment hereto shall be effective only if it is in writing (by non-pre-printed agreement or terms and conditions) and signed by an authorised representative of you and the Company. No single waiver shall constitute a continuing or subsequent waiver. The prevailing party in any action to enforce this Agreement shall be entitled to recover costs and expenses, including legal fees. The price terms of this Agreement are confidential and no press release or any other written or oral disclosure of any price terms may be made by you without the Company's prior written consent. This Agreement is the complete and exclusive statement of you and the Company relating to the subject matter hereof and supersedes all prior oral and written and all contemporaneous oral negotiations, commitments and understandings of the parties. In construing or interpreting this Agreement, the word 'or' shall not be construed as exclusive, and the word 'including' shall not be limiting. This Agreement shall be fairly interpreted in accordance with its terms without any strict construction in favour of or against either party and that ambiguities shall not be interpreted against the drafting party.