Master Services Agreement

Embedded Payroll · Version 1.0 · Effective 16 November 2026

This Master Services Agreement ("MSA") governs the embedded payroll agreement between AIPayroll Limited (trading as "Flow Payroll") and the Client identified in the Order Form. It is incorporated into, and forms part of, that Order Form. By signing the Order Form, the parties agree to this MSA.

1. Interpretation

1.1 The following definitions apply in this MSA:

(a) **Affiliate:** any entity that directly or indirectly controls, is controlled by, or is under common control with a party.

(b) **Agreement**: the Order Form, this MSA and each document expressly incorporated into the Order Form, including any Schedule and including the Supplier's Privacy Policy, in each case as amended in accordance with clause 17.2, save that the Supplier's Privacy Policy may be updated in accordance with clause 10.6.

(c) **Applicable Laws:** all laws, regulations, regulatory policies, industry codes and mandatory regulator requirements in force from time to time and applicable to a party.

(d) **Applicable Data Protection Laws**: means:

(i) To the extent the UK GDPR applies, the law of the United Kingdom or of a part of the United Kingdom which relates to the protection of personal data.

(ii) To the extent the EU GDPR applies, the law of the European Union or any member state of the European Union to which the Supplier is subject, which relates to the protection of personal data.

(e) **Authorised Users:** the employees, agents and contractors of the Client authorised by the Client to access the Services on an administrative basis.

(f) **Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

(g) **Client Data:** data inputted by the Client, its Authorised Users, End Customers or by the Supplier on the Client's behalf for the purpose of using the Services.

(h) **Confidential Information:** means all confidential information relating to the Purpose set out in the Order Form which a party directly or indirectly discloses, or makes available the other party before, on or after the date of this Agreement, including information relating to:

(i) the business, assets, affairs, customers, clients, suppliers, plans, intentions, or market opportunities of either party;

(ii) the operations, processes, product information, know-how, technical information, designs, trade secrets or software of either party;

(iii) any information, findings, data or analysis derived from Confidential Information including but not limited to Client Data and End Customer information; and

(iv) any other information that is identified by either party as being of a confidential nature.

(i) **End Customer:** a business customer of the Client to which the Client makes the Services available on an embedded basis under its own brand.

(j) **End Customer Agreement:** the contract between the Client and an End Customer under which the Client makes the Services available to that End Customer.

(k) **End User:** an individual (including an employer's employee or "Payee") whose data is processed through the Services.

(l) **Fees** means, collectively, the Minimum Monthly Commitment, the platform and any usage-based charges above the Minimum Monthly Commitment, the Customer Success fees, the white-label integration fee, any End-Customer onboarding fees, any fees for optional environments or add-ons, any Additional Service fees, and any other fees or charges payable by the Client under the Order Form, in each case as set out in and calculated in accordance with the Order Form.

(m) **Go-Live Date**: the date on which the Services are first made available for live payroll processing for an End Customer through the Client's platform.

(n) **HMRC:** HM Revenue & Customs.

(o) **Intellectual Property Rights:** patents, trademarks, trade names, designs, domain names, copyright, database rights, know-how and all other intellectual property rights, whether registered or unregistered, anywhere in the world.

(p) **PAYE:** ‘pay as you earn’ income tax deducted from an employee’s salary by their employer.

(q) **Services:** the embedded payroll subscription services provided by the Supplier under this Agreement, as described in Schedule 1 of the Order Form.

(r) **Software:** the online software and APIs provided by the Supplier as part of the Services, including the payroll engine, billing mechanics API and AI Copilot.

(s) **Virus / Vulnerability:** any code or weakness that adversely affects, or may be exploited to adversely affect, the confidentiality, integrity, availability or operation of software, hardware or systems.

1.2 Clause and schedule headings do not affect interpretation. References to writing include e-mail but not SMS. Words in the singular include the plural and vice versa. Capitalised terms used in this Agreement but not defined in this Agreement have the meanings given to them in the Order Form.

1.3 In the event of any conflict or inconsistency between the documents comprising this Agreement, the following order of precedence applies, unless expressly stated otherwise:

(a) on any data protection matter, the DPA prevails, save that clause 12.9 prevails over the DPA on the limitation of the Supplier’s liability;

(b) on liability, Intellectual Property Rights and warranties, this MSA prevails;

(c) on commercial matters (including the Services, Fees, payment, term, run-off, exclusivity and non-solicitation), the Order Form prevails; and

(d) on all other matters, the order is: the Order Form, this MSA, the DPA, any other Schedule or Incorporated Document.

The Supplier’s Privacy Policy ranks below every other document in all cases.

2. Grant of Rights and Embedding Licence

2.1 Subject to the Client paying the Fees and complying with this Agreement, the Supplier grants the Client a non-exclusive, non-transferable right during the term to: (a) access and use the Services and Software; (b) integrate the Services into the Client’s own platform; and (c) make the Services available to, and sub-license the right to use the Services to, End Customers and their End Users, in

each case on an embedded, white-labelled basis under the Client's brand and solely for the provision of UK payroll services.

2.2 The sub-licensing right in clause 2.1(c) is granted on condition that the Client: (a) enters into a written End Customer Agreement with each End Customer on terms no less protective of the Supplier's Intellectual Property Rights and Confidential Information than this Agreement; (b) passes through the relevant data-protection obligations set out in the DPA; and (c) remains fully liable to the Supplier for the acts and omissions of its End Customers and End Users as if they were the Client's own and the Supplier may assume that all instructions received from the Client have been duly authorised by the relevant End Customer.

2.3 Bundling and no standalone resale. The rights in clause 2.1 are granted on the basis that the Client makes the Services available to End Customers solely as an integrated and bundled component of the Client's own platform. Accordingly, the Client shall not, without the Supplier's prior written consent (not to be unreasonably withheld or delayed): (a) resell, market, offer or provide the Services, or access to the Software or API, on a standalone basis separately from the Client's own platform; (b) appoint any sub-distributor, reseller, channel partner or other intermediary to make the Services available to any third party; or (c) make the Software or API available to any End Customer or third party for use otherwise than within, and as part of, the Client's own platform. Nothing in this clause prevents the Client from applying its own pricing and bundling to the integrated offering as contemplated by the Order Form.

2.3A For the avoidance of doubt:

(a) Scope-of-licence limitation. The rights granted under clause 2.1 are limited in scope to the provision of the Services as an integrated and bundled component of the Client's platform. Any provision of the Services independently of the Client's platform (including as a standalone payroll product) falls outside the grant of rights and constitutes use without licence. This is a scope-of-licence limitation, not merely a contractual restriction on exercise of the rights.

(b) Customer-initiated standalone requests. Nothing in this Agreement or the Order Form (including any non-solicitation or restrictive covenant) prevents the Supplier from providing standalone payroll services to any person who independently approaches the Supplier seeking payroll services outside the Client's platform.

2.4 The Client shall not, and shall procure that its End Customers and End Users shall not: (a) copy, modify, reverse-engineer, decompile or create derivative

works from the Software except as permitted by non-excludable law; (b) access the Services to build a competing product; or (c) use the Services other than as permitted by this Agreement. For the avoidance of doubt, making the Services available to End Customers on an embedded, bundled basis as contemplated by clauses 2.1 and 2.3 is expressly permitted and is not a breach of this clause.

2.5 The Client shall use all reasonable endeavours to prevent unauthorised access to the Services and shall promptly notify the Supplier of any such access that it becomes aware of.

3. Authorised Users, End Customers and End Users

3.1 The Client is responsible for the actions of its Authorised Users, End Customers and End Users while using the Services, and for maintaining the confidentiality of log-in credentials.

3.2 The Client shall promptly inform the Supplier if it becomes aware that the security of any credentials, or of any End Customer’s access, has been compromised.

4. Third-Party Providers

4.1 The Services may enable access to third-party websites and services (including HMRC and pension providers), which the Client uses at its own risk. The Supplier makes no representation and has no liability in relation to third-party content or services save as expressly stated in this Agreement.

5. Supplier’s Obligations

5.1 The Supplier warrants that it will: (a) perform the Services with all reasonable care, skill and diligence in accordance with good industry practice; (b) supply the Services in accordance with Applicable Laws; (c) ensure the Services to the Supplier’s knowledge do not infringe the Intellectual Property Rights of any third party; and (d) use reasonable endeavours to meet the target response times in the Service Level & Support Schedule.

5.2 The Supplier does not warrant that the Services will be uninterrupted or error-free, or free from Vulnerabilities or Viruses, and is not responsible for delays or failures arising from the transfer of data over communications networks including the internet.

5.3 If the Supplier breaches clause 5.1(a), the Client shall notify the Supplier in writing within 14 days of becoming aware of the breach, giving reasonable details. The Supplier shall then, as the Client's sole and exclusive remedy for that breach, re-perform or correct the affected Services within a reasonable time. If the Supplier fails to do so, the Client may terminate this Agreement under clause 13.2(b). This clause does not affect the Client's rights in respect of any personal data breach.

5.4 This Agreement does not prevent the Supplier from entering into similar agreements with third parties or from independently developing similar products or services (consistent with the non-exclusive nature of this Agreement).

5.5 Future Services and additional data products. The parties acknowledge that the Supplier may from time to time develop additional services and data-based products (including, without limitation, credit assessment, income verification, earned wage access and analytics products) that may be offered as optional additions to the Services. Such services shall be treated as Additional Services under this Agreement, offered subject to separate commercial terms agreed in writing and, where personal data is involved, subject to all necessary consents, lawful bases and (where required) additional data-protection agreements being obtained from the relevant controllers and data subjects in accordance with Applicable Data Protection Law. The Supplier warrants that it shall not utilise any Client Personal Data or End Customer Personal Data for the development of such Additional Services. Nothing in this Agreement authorises the Supplier to process personal data for any such Additional Service without first obtaining the prior written consents and lawful basis required for that purpose; and nothing in this Agreement restricts the Supplier from developing, offering or entering into arrangements with third parties in relation to such Additional Services.

6. Client's Obligations

6.1 The Client shall: (a) provide all cooperation and information reasonably required by the Supplier to deliver the Services; (b) comply with Applicable Laws in respect of its activities; (c) ensure its Authorised Users, End Customers and End Users use the Services in accordance with this Agreement; (d) provide first-line and second-line support to End Customers and End Users as set out in the Service Level & Support Schedule; and (e) be responsible for its own network connections to the Supplier's systems. The Supplier shall not be liable for any failure caused by inaccurate, incomplete or delayed information provided by the Client, an End Customer or an End User.

6.2 The parties acknowledge that the delivery timeline (including any milestones as set out in the Order Form) depends on the Client completing integration work, API builds and other dependencies on its side. Any dates for performance are estimates only unless expressly stated to be binding.

6.3 If the Client delays or fails to perform any dependency (including any API build, testing, sign-off or provision of information required for a milestone): (a) the Supplier shall not be liable for any resulting delay or failure to meet a timeline; (b) the Supplier may reasonably adjust the affected delivery dates and timetable; and (c) the Supplier may charge the Client for any reasonable additional costs it incurs as a result, at its then-current standard rates.

6.4 Neither party shall, without the other's prior written consent, during the term of this Agreement and for 12 months after its termination or expiry, solicit or entice away from the other party any person who is employed or engaged by the other party and who has been materially involved in the performance of this Agreement in the preceding 12 months. This does not prevent either party from employing a person who responds to a bona fide public advertising campaign not specifically directed at that person.

7. Payroll-Specific Acknowledgements and Disclaimer

7.1 The Client acknowledges that the Services are a tool to assist with the calculation of pay, tax, National Insurance, pensions and related payroll outputs. It is the responsibility of the Client and each End Customer to ensure that employee data is correctly and completely input and kept up to date, and that the correct pay rules are applied to each employee.

7.2 The Supplier is not responsible and accepts no liability for: (a) any incorrect PAYE or other tax calculation resulting from incorrect, incomplete or out-of-date data provided by the Client, an End Customer or an End User; or (b) any delay in submissions to HMRC caused by the Client, an End Customer or an End User failing to input required information before the relevant deadline, or inputting information that causes a submission to fail.

7.3 The Client acknowledges that each End Customer, as employer, remains responsible for its own statutory payroll obligations and filings, and that nothing in the Services constitutes legal, tax or employment advice. The Client warrants that: (a) each individual who makes or authorises any submission to HMRC or any pension provider through the Services (including on behalf of an End Customer) is authorised to do so; and (b) all data and information provided for

submission through the Services by the Client, any End Customer or any End User is true, complete and accurate.

7.4 The Client shall not, and shall procure that its End Customers and End Users shall not, upload, store or transmit through the Services any material or data that: (a) is unlawful, defamatory, obscene, infringing or otherwise objectionable; (b) contains any Virus or Vulnerability, or any malicious code or payload (including scripts or formulae embedded in employer data or CSV file uploads); or (c) is designed to interfere with, disrupt or gain unauthorised access to the Services or any related system.

7.5 The Supplier may, without liability and without prejudice to its other rights, immediately isolate, quarantine or disable access to any material that it reasonably believes breaches clause 7.4, and shall notify the Client as soon as reasonably practicable. The Supplier may also suspend access to the Services, in whole or in part, where reasonably necessary to contain or remediate an Incident or to protect the Services, other customers or personal data, giving notice where practicable.

7.6 The Supplier shall follow its back-up and archiving procedures for Client Data. In the event of any loss of, or damage to, Client Data, the Supplier shall use all reasonable endeavours to restore the lost or damaged Client Data from the latest available back-up. This clause is subject to clause 12.2 (which preserves liability that cannot lawfully be limited) and does not limit any remedy available for a personal data breach under the DPA or Applicable Data Protection Law. Save as set out in the preceding sentence, restoration in accordance with this clause 7.6 is the Client’s sole and exclusive remedy for any loss of or damage to Client Data.

8. Confidentiality

8.1 Each party (as Receiving Party) shall keep the other party’s Confidential Information confidential, use it only for the performance of this Agreement, and not disclose it save to its personnel, advisers and sub-contractors who need to know it (and who are bound by equivalent obligations), or, in the case of the Supplier, to any actual or prospective acquirer of, investor in or lender to the Supplier or any of its Affiliates, and their professional advisers, in each case subject to obligations of confidence no less protective than this clause 8, or as required by law.

8.2 These obligations do not apply to information that is or becomes public other than by breach, or that was lawfully known to the Receiving Party before

disclosure. The Supplier may disclose the existence and nature of the Agreement consistent with the branding provisions of the Order Form and clause 8.3.

8.3 Each party may identify the other as a customer or supplier (as applicable) and use the other's name and logo on its website, social media and sales materials in a factual, non-disparaging manner consistent with the other party's brand guidelines, subject to the other party's right to require the reasonable withdrawal or correction of any such use.

9. Charges and Payment

9.1 The Client shall pay the Fees and other charges in accordance with the Order Form. All sums are in pounds sterling, exclusive of VAT, and (subject to clause 9.2 and 13) non-cancellable and non-refundable. The Client shall pay all sums due in full without any set-off, counterclaim, deduction or withholding, save for any deduction or withholding of tax required by law, in which case the Client shall pay such additional amount as ensures that the Supplier receives the amount it would have received had no deduction or withholding been required.

9.2 If the Client disputes an invoice in good faith, it shall notify the Supplier in writing within 14 days of the invoice date, setting out the disputed amount and its reasons in reasonable detail. Where the disputed amount is less than 5% of the invoice, the Client shall pay the invoice in full pending resolution; otherwise the Client shall pay the undisputed balance by the due date. The parties shall use reasonable endeavours to resolve the dispute promptly. Withholding a disputed amount properly notified under this clause 9.2 is not a breach. The Client may not dispute any invoice that it has not disputed in accordance with this clause 9.2.

9.3 If any undisputed sum remains unpaid for longer than the period set out in the Order Form, the Supplier may (without liability) suspend access to the Services and charge interest at 4% per annum above the Bank of England base rate. Fees continue to accrue during any period of suspension under this Agreement.

9.4 Where the Client requests support or services outside the scope of the Services, or the Supplier investigates an issue that it determines (acting reasonably) was caused by the Client Data, the Client's instructions or systems, or the Client's breach of this Agreement, the Supplier may charge for that work at its then-current standard rates, having notified the Client before starting chargeable work where reasonably practicable.

10. Intellectual Property Data Rights and Branding

10.1 The Supplier and/or its licensors own all Intellectual Property Rights in the Services, Software, payroll engine, APIs and AI Copilot, including any improvements. Nothing in this Agreement transfers those rights to the Client. The Supplier represents, warrants and undertakes that it has all the rights in relation to the Services that are necessary to grant all the rights it purports to grant and perform all the obligations it agrees to perform under, and in accordance with, the terms of this Agreement.

10.2 The Client owns all Intellectual Property Rights in its own platform, brand, trade marks, user interface and any materials it creates, excluding the Supplier's underlying Software. Nothing in this Agreement transfers those rights to the Supplier. Save as may be provided for in the Order Form, Flow branding will not appear on the Client's platform UI or on payslips; the service is delivered fully Client-native.

10.3 The Client grants the Supplier a non-exclusive licence to use the Client's name and logo solely as required to perform the Services and, subject to clause 8.3, to identify the Client as a customer.

10.4 Employer and End User data is owned by the relevant End Customer. Data rights and processing are governed by the DPA.

10.5 The Client acknowledges that the Supplier may create anonymised and aggregated data derived from use of the Services ("Aggregated Data"), provided that Aggregated Data does not identify, and cannot reasonably be used to identify, the Client, any End Customer or any individual, and only where the relevant End Customer has agreed, in its End Customer Agreement or otherwise in writing, that data generated through its use of the Services may be included in Aggregated Data on that basis. The Client shall include in each End Customer Agreement a clear description of the Supplier's use of Aggregated Data and shall obtain each End Customer's affirmative consent before the Supplier includes that End Customer's data in Aggregated Data. If an End Customer does not consent, or withdraws its consent by written notice to the Client, the Client shall promptly notify the Supplier and the Supplier shall exclude that End Customer's data from Aggregated Data within 30 days of receipt of such notice. The Supplier owns all Aggregated Data and may use it on a perpetual, worldwide, royalty-free basis for internal analytics, benchmarking, product improvement and the training and improvement of its models and Services. Nothing in this clause permits the Supplier to use personal data (including Payee Data) other than as expressly permitted by the DPA, which prevails in the event

of any conflict. The Supplier may disclose Aggregated Data to third parties provided it remains compliant with this clause.

10.6 The Client acknowledges that the Supplier's privacy policy, as made available at https://flowpayroll.ai/legal/privacy-policy/ and updated from time to time, applies to the Supplier's processing of personal data as controller. The Supplier operates a multi-tenant service under a single privacy policy applicable to all customers, and may update that policy from time to time. The Supplier will give the Client reasonable notice of any material change. The Supplier will not make any change to the privacy policy that reduces the protection afforded to personal data below the standard required by Applicable Data Protection Law or below that set out in the DPA. To the extent of any conflict between the privacy policy and the DPA, the order of precedence in clause 1.3 applies.

10.7 The parties acknowledge that the collection, use, processing, retention, disclosure and transfer of personal data is governed by the DPA and the Supplier's Privacy Policy (as applicable to the relevant processing activity).

11. Indemnity

11.1 The Client shall indemnify the Supplier against all losses, damages, costs (including reasonable legal fees) and expenses to the extent arising directly from: (a) the Client's or an End Customer's use of the Services in breach of this Agreement; (b) any third-party claim against the Supplier arising from the Client's or an End Customer's use of the Services in breach of this Agreement, or from the Client's breach of an End Customer Agreement; (c) any third-party claim against the Supplier arising from the Client's breach of the licence restrictions in clause 2; or (d) any claim brought against the Supplier by any End Customer, End User or Payee, or by any employee, worker, contractor or Authorised User of the Client, to the extent arising from the Client Data, any instruction given by or through the Client, or the Client’s breach of clause 7 or of any End Customer Agreement, except in each case to the extent caused or contributed to by the Supplier's breach, negligence or wilful misconduct.

12. Limitation of Liability

12.1 The following definitions apply in this clause 12:

(a) liability: every kind of liability arising under or in connection with this Agreement including but not limited to liability in contract, tort (including negligence), misrepresentation, restitution or otherwise.

(b) default: any act or omission resulting in one party incurring liability to the other.

12.2 Nothing in this Agreement excludes either party's liability:

(a) for death or personal injury caused by that party's negligence;

(b) for fraud or fraudulent misrepresentation; or

(c) for any other liability which cannot be lawfully limited or excluded.

12.3 Subject to clause 12.2:

Neither party shall have any liability for any:

(i) loss of profits;

(ii) loss of business; or

(iii) any special, indirect or consequential loss, costs, damages, charges or expenses.

Subject to clause 12.2, the Supplier shall have no liability for any loss of revenue, sales or turnover, loss of anticipated savings, loss of or damage to goodwill or reputation, or wasted management or staff time.

12.4 The limit in clause 12.5 shall not apply to the Supplier’s liability for any fine or monetary penalty imposed on the Client by the Information Commissioner or any other competent data protection supervisory authority, to the extent caused by the Supplier’s breach of Applicable Data Protection Law or the DPA, provided that such liability is subject to the aggregate cap in clause 12.9. Any tax, National Insurance contributions, interest, penalty or surcharge imposed by HMRC, The Pensions Regulator or any other authority falls within clause 12.5 and not this clause 12.4.

12.5 Subject to clauses 12.2, 12.4 and 12.9, the Supplier’s total aggregate liability arising in connection with this Agreement whether in contract, tort (including negligence), breach of statutory duty, misrepresentation, restitution or otherwise, and including under any indemnity, warranty, representation or undertaking given in this MSA, the Order Form, the DPA or any other Incorporated Document, in any 12-month period shall not exceed 100% of the total Fees paid by the Client to the Supplier in the 12 months immediately preceding the event giving rise to the claim and all claims arising from the same or related facts or circumstances shall be treated as a single claim. Save as set out in clause 12.4, no provision of the Agreement, including any provision stated

to apply notwithstanding any other provision, shall increase or exclude the Supplier’s liability from the limit in this clause 12.5 or clause 12.9.

12.6 The parties acknowledge that the cap in clause 12.5 has been set having regard to the Minimum Monthly Commitments and Fees set out in the Order Form.

12.7 Except as expressly set out in this Agreement, and to the fullest extent permitted by law, the Services and Software are provided 'as is', and all conditions and other terms implied by statute or common law (including as to satisfactory quality and fitness for a particular purpose) are excluded, provided that nothing in this clause limits the express warranties in clause 5.1.

12.8 Nothing in this clause 12 limits or excludes the Client's liability for: (a) any breach, infringement or misappropriation of the Supplier's Intellectual Property Rights; (b) its payment obligations; (c) breach of confidentiality; (d) its indemnity obligations under clause 11.1; or (e) its indemnity obligations under clause 3(d) of the DPA, provided that the Client's aggregate liability under clause 11.1 shall not exceed 100% of the total Fees paid or payable by the Client in the 12 months immediately preceding the event giving rise to the claim.

12.9 Subject to clause 12.2, the Supplier’s total aggregate liability arising out of or in connection with the DPA, clause 14 (including the indemnity in clause 14.5) and any breach of Applicable Data Protection Law in connection with the Services shall be subject to the cap in clause 9 of the DPA (the “DPA Cap”). The DPA Cap and the Supplier’s liability under clause 12.4 shall operate as a single aggregate cap, such that the Supplier’s total aggregate liability for all such liabilities taken together shall not exceed £100,000 and any amount paid or payable in respect of one shall count towards and reduce the other. This aggregate cap is separate from and in addition to the limit in clause 12.5, which shall not apply to any liability subject to it. Clause 12.3 shall apply to such liability. All claims arising from the same or related facts or circumstances shall be treated as a single claim. Nothing in this clause 12.9 or the DPA limits the Client’s liability.

13. Term and Termination and Exit Plan

13.1 This Agreement commences on the Effective Date and continues for the term set out in Schedule 1 of the Order Form (§3.1), subject to earlier termination under this clause.

13.2 Either party may terminate immediately on written notice if the other: (a) fails to pay an undisputed sum within 30 days of written notice; (b) commits a material breach that is not remedied within 30 days of written notice; or (c) (where the other party is the Client) is or becomes unable to pay its debts within the

meaning of section 123 of the Insolvency Act 1986, or enters any insolvency or analogous process.

13.3 On termination: (a) the licences in clause 2 terminate, subject to any run-off period agreed in the Exit Plan, during which the Supplier continues to process payroll for in-flight employers; (b) accrued rights and liabilities are unaffected; and (c) each party returns or destroys the other's Confidential Information on request, save as required by law or the DPA. (d) All Fees accrued prior to termination, and any Early Termination Fee payable under clause 13.5, become immediately due and payable. (e) Clauses 6.4, 8, 9, 10, 11, 12, 13.3, 13.4, 13.5, 14, 15, and 16 shall survive termination.

13.4 **Run-off and Exit Plan.** The Supplier is not obliged to provide a run-off period except as agreed in an Exit Plan. Where a run-off period is provided, the terms of the Agreement continue to apply during it, subject to this clause 13.4:
(a) the recurring Fees (including the Platform Fee, the per-payslip charge and the Minimum Monthly Commitment) are payable at the Supplier's prevailing standard rates in force at the start of the run-off period, and not at the Order Form Fees;
(b) the Minimum Monthly Commitment continues to apply in full, irrespective of any reduction in the number of employers, Authorised Users or payslips during run-off and may be increased by the Supplier if needed.
(c) run-off Fees are invoiced monthly in advance, and the Supplier may decline to commence, or may suspend or cease, run-off where any undisputed sum is overdue; and
(d) run-off continues for the period set out in the Exit Plan, up to a maximum of 6 months, extendable only by written agreement at the Supplier's prevailing standard rates then in force.
The Client must request the preparation of an Exit Plan in writing no later than 6 months before the end of the then-current term. The parties will then negotiate and agree the Exit Plan in good faith. If the Client does not request an Exit Plan within that period, the Supplier is under no obligation to provide any run-off.

13.5 If this Agreement terminates before the end of the Initial Term or any Renewal Period for any reason other than termination by the Client under clause 13.2(b), clause 13.6, clause 13.7, clause 17.1, clause 5(b) of the DPA or §8 of the Order Form, the Client shall pay the Supplier a sum equal to the Minimum Monthly Commitment plus any minimum monthly Customer Success fee multiplied by the number of months (or part months) remaining in the then-current term or, where termination occurs before the Go-Live Date, in the full Initial Term (the "Early Termination Fee"). The parties acknowledge that the Early Termination Fee is proportionate to the Supplier's legitimate interest in receiving the Fees for the full

term, having regard to the Supplier's commitment of resources and its pricing of the Services. Any Fees payable for a run-off period under clause 13.4 are payable in addition.

13.6 The Supplier may terminate this Agreement on not less than six months' written notice if it ceases to offer the Services generally to its customers, in which case the Supplier shall refund any Fees paid in advance for the period after termination and no Early Termination Fee shall be payable.

13.7 The Supplier may terminate this Agreement on not less than three months' written notice if the Client undergoes a change of control (within the meaning of section 1124 of the Corporation Tax Act 2010) as a result of which it becomes controlled by a Competitor. The Client shall notify the Supplier in writing of any such change of control promptly and, to the extent lawful, before it takes effect. No Early Termination Fee shall be payable on termination under this clause 13.7, and the Supplier shall provide a run-off in accordance with clause 13.4 if the Client so requests. "Competitor" means any person (or any of its Affiliates) that develops, supplies or makes available payroll software or embedded payroll services that compete with the Services.

14. Data Protection

14.1 **Definitions for the purposes of this clause 14:**

Client Personal Data: any personal data which the Supplier processes as processor or sub-processor as described in the DPA in connection with this Agreement.

EU GDPR: the General Data Protection Regulation (EU) 2016/679).

Supplier Personal Data: any personal data which the Supplier processes in connection with this Agreement, in the capacity of a controller.

UK GDPR: has the meaning given to it in the Data Protection Act 2018.

14.2 **General obligations and roles**

14.2.1 For the purposes of this clause 14, the terms **Commissioner, controller, data subject, personal data, personal data breach, processor** and **processing,** shall have the meaning given to them in the UK GDPR, and supervisory authority shall have the meaning given to it in the EU GDPR.

14.2.2 Both parties will comply with all applicable requirements of Applicable Data Protection Laws. This Clause 14 is in addition to, and does not

relieve, remove or replace, a party's obligations or rights under Applicable Data Protection Laws.

14.2.3 The parties have determined that, for the purposes of Applicable Data Protection Laws:

(a) the Supplier shall process Client Personal Data as processor or sub-processor (as applicable) in respect of the personal data and processing activities set out in Annex 1 of the DPA. The respective roles of the Supplier, the Client and each End Customer in relation to that processing are as set out in clause 2 of the DPA, and that processing is governed by the DPA;

(b) to the extent the Supplier processes any personal data in connection with this Agreement as controller, that data is Supplier Personal Data and shall be processed in accordance with clause 14.3 and the Supplier’s Privacy Policy;

14.2.4 If the roles determined in clause 14.2.3 change, the parties shall work together in good faith to make any necessary changes to this clause 14 and the DPA, in accordance with clause 17.2.

14.3 **Supplier's Privacy Policy**

Without prejudice to the generality of clause 14.2:

(a) the Supplier shall process all Supplier Personal Data strictly in accordance with its privacy policy in the form it appears at https://flowpayroll.ai/legal/privacy-policy/ as may be updated from time to time in accordance with clause 10.6;

(b) the Supplier shall only amend the Supplier Privacy Policy in accordance with clause 10.6;

(c) the Supplier shall provide copies of the Supplier Privacy Policy to the Client on request in a commonly available electronic format, and consents to the Client making the Supplier Privacy Policy available to any applicable data subjects including the End Customers;

(d) the Supplier hereby undertakes, warrants and represents that the Supplier Privacy Policy, and any amendments, will at all times comply with Applicable Data Protection Laws and that it will not make any amendments to the Supplier Privacy Policy where this would be in contravention of Applicable Data Protection Laws;

(e) as between the parties, the Supplier is solely responsible for ensuring that the processing of Supplier Personal Data complies with Applicable Laws, including Applicable Data Protection Laws, and in particular, that all required fair processing information is provided to the relevant data subjects; and

(f) in the event of any inconsistency or conflict between the terms of the Supplier Privacy Policy and this Agreement, clause 1.3 applies.

14.4 The processing of personal data by the Supplier as processor or sub-processor in connection with the Services is governed exclusively by the DPA. In the event of any conflict between this clause 14 (or any other provision of this Agreement, except 12.9) and the DPA in relation to the Supplier's processing as processor or sub-processor, the DPA shall prevail.

14.5 The Supplier hereby indemnifies, and shall keep indemnified, the Client from and against any and all costs, damages and expenses of any kind arising from any claim or demand brought by any person, data subject, Commissioner or supervisory authority as a result of any breach by the Supplier of any Applicable Data Protection Law or its obligations under this clause 14, except to the extent that such claim or demand arises from the Client’s instructions, the Client Data or the Client’s breach of this Agreement, the DPA or Applicable Data Protection Law. This indemnity shall be subject to clause 12.9.

14.6 Subject to the aggregate cap in clause 12.9, nothing in this clause 14 shall operate to limit or exclude the Supplier's liability for:

(a) any of its direct statutory obligations under Applicable Data Protection Laws; or

(b) any liability imposed under Article 82 of the EU GDPR or Article 82 of the UK GDPR.

15. Security of Network

15.1 The Supplier shall maintain the measures described in the Information Security Schedule, which it may update from time to time in accordance with that Schedule provided that the overall level of security is not materially reduced, and shall notify the Client of any material change.

15.2 The Supplier shall notify the Client without undue delay on becoming aware of any Incident (and, where the Incident is a personal data breach, within the period set out in the DPA), and shall respond within a reasonable time to the Client’s reasonable requests for information about any Incident, having regard to

any statutory or regulatory reporting obligations of the Client of which the Supplier has been made aware.

15.3 The Supplier will use its reasonable endeavours to ensure the continuity of the Services at all times in accordance with the information on business continuity management set out in the Information Security Schedule and any relevant applicable policies with a view to ensuring the continuity of any services to be provided by the Client that rely on the Services.

15.4 The Supplier agrees to co-operate with the Client in relation to: (a) all aspects of its compliance with the Network and Information Systems Regulations 2018 ("NIS Regulations") (if applicable); (b) any requests for information, or inspection, made by any regulator (including in connection with the NIS Regulations); (c) any request for information made in respect of any of the information provided in the Information Security Schedule or any of the applicable policies; (d) any Incident.

15.5 The Supplier shall in accordance with Good Industry Practice: (a) implement, operate, maintain, and adhere to, appropriate policies to cover the issues specified in the Information Security Schedule, including an incident management process which shall enable the Supplier, as a minimum, to discover and assess Incidents, and to prioritise those Incidents, sufficient to meet its obligations under clause 5 of this Agreement and the provisions of the Information Security Schedule; (b) use reasonable endeavours to Mitigate Incidents.

16. Anti-Bribery and Applicable Laws

Each party warrants that it is fully compliant and will remain fully compliant with

(a) all applicable laws, regulations, codes and sanctions; and

(b) the anti-bribery and anti-corruption laws including the Bribery Act 2010.

17. General

17.1 Force majeure. Neither party is liable for delay or failure caused by events beyond its reasonable control, provided that it promptly notifies the other party and uses reasonable endeavours to mitigate the effect. This clause does not excuse any obligation of the Client to pay the Fees. If such an event prevents the Supplier from performing all or substantially all of the Services for more than 60

consecutive days, either party may terminate this Agreement on 10 Business Days' written notice, and no Early Termination Fee shall be payable.

17.2 Variation. Save as set out in the Order Form and clause 10.6, no variation is effective unless in writing and signed by both parties (or their authorised representatives).

17.3 Assignment. The Client may not assign, transfer, sub-contract or otherwise deal with any of its rights or obligations under this Agreement without the Supplier's prior written consent (save for the embedding and sub-licensing expressly permitted by clause 2). The Supplier may assign, novate or transfer this Agreement (in whole or in part) to any Affiliate or to any person acquiring all or a substantial part of its business or assets, on written notice to the Client, may assign or charge its rights under this Agreement by way of security to any lender, and may sub-contract the performance of its obligations, remaining responsible for its sub-contractors (and, in respect of sub-processors, subject to the DPA). The Client shall promptly sign any novation or other document reasonably required to give effect to any such transfer and, following notice of any assignment, shall pay all sums due under this Agreement to the assignee or as the Supplier directs.

17.4 No partnership or agency. Nothing creates a legal partnership or agency between the parties.

17.5 Third-party rights. Save for Affiliates and permitted assigns, no person who is not a party may enforce this Agreement under the Contracts (Rights of Third Parties) Act 1999.

17.6 Entire agreement. This Agreement including its schedules and the Order Form, and DPA is the entire agreement between the parties and supersedes the Heads of Terms and all prior understandings. Each party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedy in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Nothing in this clause limits or excludes any liability for fraud or fraudulent misrepresentation.

17.7 Severance and waiver. If any provision is unenforceable it is deemed deleted without affecting the remainder. No delay in exercising a right is a waiver of it.

17.8 Notices must be in writing and sent to the addresses in the Order Form (email permitted for day-to-day notices; termination and dispute notices additionally by post).

17.9 Governing law and jurisdiction. This Agreement and any non-contractual obligations are governed by the law of England and Wales, and the parties submit to the exclusive jurisdiction of the courts of England and Wales.

17.10 Counterparts. This Agreement and the Order Form may be executed in any number of counterparts, each of which when executed constitutes a duplicate original, and all counterparts together constitute one agreement. Execution by electronic signature is valid and binding.