

Account No

Contract No

Rep/Branch

Jepson Licence Magic Agreement

Date: 20

Parties:

1. 'Jepson': Jepson & Co. Limited of 44 East Bank Road, Sheffield.
2. 'The Franchisee': [] Limited of [].

Background:

- (A) Jepson makes vehicle licence plates in accordance with Government Regulations and the British Standards Institute standard. The System includes certain confidential information, Intellectual Property Rights, Software, Equipment, and Materials, and Jepson has spent substantial time, effort and money in the development and implementation of this System.
- (B) The Franchisee wants to have the benefit of the System and the right to use the System upon the terms of this Agreement.
- (C) Jepson has substantial goodwill in the System and the Franchisee accepts the benefit it will receive from using Jepson's name so agrees to meet the high standards and uniform specifications of Jepson in this Agreement.

The Agreement:

1 Definitions

- | | |
|--------------------------------|--|
| 1.1 'BSI' | means the Government Regulations and British Standard's Institute requirements to make Jepson vehicle licence plates (where applicable). |
| 'EQUIPMENT' | means the goods hired to the Franchisee by Jepson during this Agreement as listed in Schedule A and/or the Franchisee's own hardware as denoted in Schedule A. |
| 'INITIAL TERM' | means one Year from the Start Date of this Agreement. |
| 'INTELLECTUAL PROPERTY RIGHTS' | means all Jepson's patents, trade marks, trade names, logos, registered designs, symbols, emblems, insignia, slogans, copyrights, know-how, information, drawings, plans and other identifying materials whether or not registered and all other proprietary rights owned by or available to Jepson now or at any time |
| 'MATERIALS' | means the goods required for making Jepson vehicle licence plates as listed in Schedule A. |
| 'PERSONALISATION UPGRADE' | means an upgrade to the Software to allow the Franchisee to personalise Jepson vehicle licence plates as described in clause 4.1.4. |
| 'PREMISES' | means where the Franchisee will use the System in accordance with clause 5.1.3 and Schedule A. |

'SOFTWARE' means Jepson Licence Magic© and any disks, cartridges or other media supplied to use the software. ©Copyright Jepson & Co. Limited 1998

'START DATE' means the date when Jepson has signed this Agreement.

'SYSTEM' means the making of Jepson vehicle licence plates in accordance with the terms of this Agreement and BSI (where applicable) using the Equipment and Software.

'SYSTEM FEE' means the fee payable by the Franchisee to Jepson annually during this Agreement as detailed in Schedule A.

2 Appointment

2.1 Jepson appoints the Franchisee upon these terms and conditions the right and licence to operate the System using Jepson's Intellectual Property Rights during this Agreement.

3 Duration

3.1 This Agreement shall commence on the Start Date for the Initial Term and continue until:

3.1.1 either party terminates on 3 months' written notice, any time after the Initial Term; or

3.1.2 the Agreement is terminated by Jepson under clause 10.

3.2 If this Agreement is terminated part way through a year no part of the System Fee shall be refunded to the Franchisee.

3.3 On termination of this Agreement clause 11 shall apply.

4 Obligations of Jepson

4.1 After the Start Date Jepson will:

4.1.1 provide the Franchisee with training, the date to be agreed;

4.1.2 install the Software;

4.1.3 repair or replace, the Equipment owned by Jepson, if it is faulty, if the Franchisee has not caused the fault.

4.1.4 provide Personalisation Upgrades at an agreed additional fee to the System Fee; and

4.1.5 provide a telephone helpline Monday to Friday (excluding bank holidays), 9.00 a.m. to 5.00 p.m.

4.1.6 Jepsons will replace free of charge any faulty components supplied that do not meet the requirements of the current BSI (where applicable)

5 Obligations of the Franchisee

5.1 The Franchisee agrees :

5.1.1 To recognise Jepson's Intellectual Property Rights and treat them as confidential at all times;

5.1.2 To treat all know-how, and business techniques gained from Jepson during this Agreement as confidential information;

5.1.3 To use the System in a clean, dust free, environment such place to be agreed with Jepson;

- 5.1.4 To use the System in accordance with the terms of this Agreement and at the Premises;
- 5.1.5 To use the System for making Jepson vehicle licence plates only;
- 5.1.6 To buy all Materials from Jepson for use with the System;
- 5.1.7 To make Jepson vehicle licence plates in accordance with BSI as notified to it by Jepson from time to time;
- 5.1.8 To keep the Equipment in good condition and working order, fair wear and tear excepted;
- 5.1.9 To promote and preserve the goodwill and reputation associated with Jepson's vehicle licence plates the Franchisee will replace or refund the cost of plates supplied by it which do not conform with the required BSI standards;
- 5.1.10 To allow Jepson's representatives to enter the Premises for checking whether the terms of this Agreement are being complied with.

6 Restrictions on the Franchisee

- 6.1 During this Agreement, the Franchisee agrees as follows:
 - 6.1.1 not to use the System until the persons responsible for its operation have received training by Jepson and have been approved as competent by Jepson;
 - 6.1.2 not to use the System until Jepson has approved the Premises;
 - 6.1.3 not to sell, assign, transfer, charge or sub-licence the System or any part without the prior consent of Jepson in accordance with the other terms of this Agreement;
 - 6.1.4 not to use or publish any marketing literature relating to the System or Jepson vehicle licence plates or display the same at the Premises unless Jepson has approved the same.
- 6.2 The Franchisee acknowledges that all information and knowledge relating to the system is of a confidential nature and the Franchisee agrees that it will not and it will procure that no other person shall at any time without the prior written consent of Jepson whether before or after termination of this Agreement divulge or use whether directly or indirectly for its own benefit or that of any other person, firm or company any of such information or knowledge relating to the System which may be communicated to or otherwise acquired by the Franchisee, its directors, agents or employees.

7 Insurance

- 7.1 The Franchisee shall be responsible, at its own expense, for insuring and reimbursing Jepson the cost of the Equipment and Software in the event of theft, fire or damage and shall make up any shortfall between the cost of replacing the Equipment and Software and any insurance claim.
- 7.2 In the event of theft, fire or damage the Franchisee shall pay Jepson's costs of reinstalling the System.

8 Software

- 8.1 The Franchisee accepts that the Software was not designed and produced to its individual requirements and that it was selected by the Franchisee and is taken and accepted by it on "as is" basis.
- 8.3 Jepson will comply with its obligations under clause 4.
- 8.4 Where the Franchisee uses its own hardware, it is its responsibility that other software does not adversely affect the Software nor the Software adversely affect other software.
- 8.5 The Software will be delivered by disk. These disks are the property of Jepson at all times and should be marked by the Franchisee as such.
- 8.6 The Franchisee shall sign off, as accepted, the Software on the day it is installed by Jepson.
- 8.7 Jepson will indemnify the Franchisee against any third party claims that the Software infringes their rights.
- 8.8 The Franchisee recognises Jepson's Intellectual Property Rights in the Software and will recognise and protect them.
- 8.9 The Franchisee shall be entitled to use the Software only for making Jepson vehicle licence plates.
- 8.10 The Franchisee shall only use the Software on the Equipment at the Premises.

9 Fees and payment

- 9.1 The Franchisee shall pay to Jepson the System Fee for each year or part year, this Agreement is in force.
- 9.2 The System Fee is exclusive of Value Added Tax.
- 9.3 Jepson shall review the System Fee each year and give the Franchisee one month's notice of any increase.

10 Termination

- 10.1 Jepson may terminate this Agreement by giving 30 day's notice in writing to the Franchisee in any of the following events:
- 10.1.1 if the Franchisee fails to pay any amounts due to Jepson;
 - 10.1.2 if the Franchisee shall fail to operate the System in accordance with BSI (where applicable in country of use);
 - 10.1.3 if the Franchisee misuses or impairs the goodwill associated with the System;
 - 10.1.4 if the Franchisee discloses any of Jepson's Intellectual Property Rights and/or confidential information;
- if the Franchisee commits any breach of this Agreement.
- 10.2 This Agreement shall automatically terminate without notice if the Franchisee:-
- 10.2.1 has a winding up petition presented or enters into liquidation whether compulsorily or voluntarily (otherwise than for the purposes of amalgamation or reconstruction without insolvency) or makes an arrangement with its creditors or petitions for an administration order or has a receiver or manager appointed over any of its assets or generally becomes unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986.

11 Consequences of termination

- 11.1 Upon the termination of this Agreement for any reason, the Franchisee shall:

- 11.1.1 Immediately pay to Jepson the full amount of all monies due;
- 11.1.2 immediately cease to use the System and to make Jepson vehicle licence plates;
- 11.1.3 immediately stop using in any way all of the Intellectual Property Rights of Jepson;
- 11.1.4 return all the Equipment in accordance with clause 5.1.8 and Software to Jepson;
- 11.1.5 destroy any copies of the Software as directed by Jepson.

12 Acknowledgements by Franchisee

- 12.1 The Franchisee acknowledges the exclusive rights of Jepson to own the System and its Intellectual Property Rights and itself to use the same and to grant to any other person a licence to use the System and the Intellectual Property Rights.
- 12.2 This Agreement is personal to the Franchisee and it will not let any other person, firm or company use the System.

13 Assignment by Jepson

- 13.1 This Agreement and all the rights of Jepson may be assigned, transferred or otherwise dealt with by Jepson and shall inure to the benefit of the successors and assigns of Jepson.

14 General

- 14.1 A waiver by Jepson of a breach or default of any of the provisions of this Agreement shall not be construed as a waiver of any succeeding breach of the same or other provisions nor shall any delay or omission by Jepson to exercise or avail itself of any right, power or privilege that it has or may have operate as a waiver of any breach or default by Jepson.
- 14.2 Jepson shall not be liable to the Franchisee in respect of any loss or damages for loss of profits, loss of contracts, loss of goodwill, increased overheads, lost management time, or any type of special, economic, indirect or consequential loss, (including loss or damage suffered by the Franchisee as a result of an action brought by any third party) howsoever caused even if such loss was reasonably foreseeable or Jepson had been advised of the possibility of the Franchisee incurring the same.
- 14.3 The Franchisee shall not pledge the credit of Jepson nor represent itself as being Jepson nor an agent, partner, employee or representative of Jepson.
- 14.4 Neither party shall be liable for any delay or failure to perform its duties caused by any circumstances beyond its reasonable control.
- 14.5 This Agreement is personal to the Franchisee and the Franchisee shall not assign or otherwise transfer its rights or duties under this Agreement or sub-licence the Software without the prior written consent of Jepson.
- 14.6 This Agreement shall be governed by and construed in accordance with English law and the parties agree to submit to the non-exclusive jurisdiction of the English courts.

SIGNED by an authorised representative of)
JEPSON & CO LTD)
in the presence of:)

SIGNED by an authorised representative of)
the FRANCHISEE)
in the presence of:)

SCHEDULE A

1 - Equipment: to be hired by Franchisee

Computer serial number [] [*Franchisees own/hired from Jepson]
Monitor serial number [] [*Franchisees own/hired from Jepson]
Laptop serial number [] [*Franchisees own/hired from Jepson]
Keyboard serial number [] * Yes/No
Printer serial number [] Specify Type :
Assembly system serial number [] Specify Type :

* delete as appropriate

2 - Materials to be used by Franchisee supplied and bought from Jepson

[List appropriate materials for printer]

3 - Premises: where Franchisee will operate and use the System (address where the printer will be used)

Address of Franchisee []

4 - System Fee: annual fee payable by Franchisee supplied direct from Jepson

System fee £[] per year

VAT to be paid by Franchisee.

6 - Invoice address of approved supplier to franchisee

