1. **CEReMOnTS**

1.1 In these Terms, the following definitions apply:

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

**Deliverables:** all documents, products and materials developed by the Supplier or its agents, contractors and employees for Pearson as part of or in relation to the Services in any form or media.

**Divested Entity:** any entity of the Pearson Group that ceases to be part of the Pearson Group for any reason ("divestiture").

**Goods:** the goods (if any) set out in the Order.

**Intellectual Property Rights (IPR):** patents, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how or trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications, rights to apply for renewals of such rights and all similar rights which subsist or will subsist in any country.

**Pearson:** means the Pearson entity identified in the Order.

**Pearson Group:** all entities in which Pearson PLC directly or indirectly holds more than 50% of the voting power.

**Pearson Materials:** materials, equipment and tools, drawings, specifications, content, software, and data supplied by or on behalf of Pearson to the Supplier.

**Order:** Pearson’s order for the supply of Goods and/or Services governed by and incorporated in these Terms.

**Services:** the services (if any), including without limitation any Deliverables, as set out in the Order.

**Supplier:** the person or firm from whom Pearson purchases the Goods and/or Services, as set out in the Order.

**Supplier IPR:** Supplier materials which were not developed for Pearson as part of the Services.

2. **BASS OF CONTRACT**

2.1 The Order constitutes an offer by Pearson. Any conduct by the Supplier consistent with acceptance of the Order will constitute acceptance by the Supplier of these Terms.

2.2 Except as provided in clause 2.3 below, these Terms apply to the exclusion of any and all other terms or conditions, including such that the Supplier seeks to impose or incorporate relating to the provision of the Goods and/or Services.

2.3 To the extent that Pearson and the Supplier have expressly agreed and executed an agreement for the provision of the Goods, Deliverables and/or Services set out in the Order, such agreement shall prevail over these Terms.

2.4 The Order and the provision of Goods, Deliverables and/or Services are for the benefit of Pearson and for the Pearson Group.

3. **SUPPLY OF GOODS**

3.1 Pearson may reject the Goods. If Pearson considers (acting reasonably) that the Goods do not conform or are unlikely to conform or comply with the Supplier’s warranties in clause 6.1(h), and any rejected Goods shall be returnable at the Supplier’s risk and expense.

3.2 Title and risk in the Goods will pass to Pearson on completion of delivery, unless payment for the Goods has already been made in which case title (but not risk) will pass upon payment.

3.3 Supplier agrees that Pearson may sell the Goods to third parties.

4. **OUTSOURCING**

4.1 In respect of any other provision contained in the Order, Pearson and the Pearson Group may permit any third party service providers to use the Goods, Deliverables and/or Services for the purpose of such third party service provider providing services to the Pearson Group. Pearson acknowledges and agrees that such use may only be on behalf of Pearson and/or the Pearson Group.

5. **SUPPLY OF SERVICES**

5.1 The Supplier shall provide the Services to Pearson in accordance with the terms of the Order. The Supplier shall, at no additional cost other than as expressly set out in the Order:

(a) meet any performance dates for the Services specified in the Order, included within the Supplier’s proposal or notified to the Supplier by Pearson;

(b) co-operate with Pearson in all matters relating to the Services, and comply with all instructions of Pearson;

(c) provide all equipment, tools, materials and such other items as are required to provide the Services; and

(d) hold all Materials in safe custody at its own risk, maintain the Pearson Materials in good condition until returned to Pearson, and not dispose of or use the Pearson Materials other than in accordance with Pearson’s written instructions or authorisation.

6. **WARRANTIES**

6.1 The Supplier warrants and represents to Pearson that:

(a) it will perform the Services and carry out its obligations under the Order with the best care, skill and diligence in accordance with good practice in the Supplier’s industry, profession or trade;

(b) it will use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier’s obligations are fulfilled in accordance with the Order;

(c) it will obtain and at all times maintain all necessary licences and consents, and comply with all applicable laws and regulations;

(d) it will observe all health and safety rules and regulations, site rules and any other environmental or security requirements and policies that apply at any of Pearson’s premises or in accessing any Pearson property or system.

(e) no Goods, Services or Deliverables supplied under the Order will infringe the rights (including Intellectual Property Rights) of any third party or any applicable laws, or cause Pearson or the Pearson Group to infringe such rights or applicable laws;

(f) Deliverables will meet any requirements that were mutually agreed, or are stated in Supplier’s published documentation, and representations made by the Supplier;

(g) Goods, Deliverables and Services will be free from defects in workmanship, installation and design;

(h) the Goods correspond with their description, are of satisfactory quality, and are free from defects and will remain so for a period of time consistent with standard manufacturer warranties in that industry; and

(i) Supplier shall (i) comply with all applicable mandatory safety standards applicable to the Goods, (ii) ensure that the Goods are tested based on a reasonable testing program or by accredited third party testing laboratories, as may be required by all applicable law, (iii) have verification and will certify, to the extent applicable, that the Goods have met all required regulations and standards, and (iv) maintain all records of safety testing for the Goods and make such records available for Pearson’s review on reasonable notice. Supplier further certifies that all appropriate warnings concerning any potentially hazardous or dangerous information or uses are included in or on the goods in accordance with all applicable regulations and standards.

These warranties shall apply whether Supplier is a supplier or manufacturer, and in the event that Supplier is a reseller, the Supplier shall pass through any and all manufacturer warranties applicable to the Goods to Pearson in addition to and without limitation of these warranties.

7. **PRERSON’S REMEDIES**

7.1 If the Supplier fails to deliver the Goods, Deliverables and/or perform the Services by the applicable due date, in addition to any other remedies it may have, Pearson may, where Pearson has paid in advance for Services, Deliverables or Goods that have not been provided by the Supplier, have such sums refunded by the Supplier.

8. **PEARSON’S OBLIGATIONS**

8.1 Pearson shall:

(a) provide the Supplier with reasonable access at reasonable times to Pearson’s premises for the purpose of providing the Services during business hours (or such hours as are required for the provision of the Services and as set out in the Order, if different), and subject to the Supplier not creating disruption to Pearson’s business and subject to compliance with Pearson policies; and

(b) provide such information as the Supplier may reasonably request for the purposes of the Services and Pearson considers reasonably necessary for the purpose of providing the Services.

9. **CHARGES AND PAYMENT**

9.1 All charges payable by Pearson shall be as set out in the Order ("Charges").

9.2 Unless otherwise specified in the Order, Charges shall be based on all costs and expenses of the Supplier in providing the Goods, Deliverables and Services (including the cost of packaging, insurance and carriage as well as any travel and subsistence or other expenses, except for such expenses as were expressly agreed in advance with Pearson and incurred in accordance with Pearson policies). Where Services are provided on a time and materials basis, Supplier shall on request provide timesheets and breakdowns of time spent. No additional charges shall be effective unless agreed in writing and signed by Pearson.

9.3 Unless otherwise stated to the contrary in the Order, the Supplier shall submit invoices for payment monthly in arrears and Pearson shall pay undisputed invoices amounts net 45 days from receipt of a duly submitted invoice. Invoices must reference the applicable Pearson purchase order number and otherwise comply with any reasonable guidance provided by Pearson.

9.4 Unless expressly stated in the Order, all amounts payable by Pearson under the Order are exclusive of value added tax (VAT), goods and services tax (GST) or similar taxes, including sales, use or similar taxes imposed, claimed, levied or assessed by, or payable to, any government agency from time to time under the applicable law but excluding any related penalty, fine or interest thereon ("Indirect Tax").

9.5 If any Indirect Tax is payable on a supply, transfer or sale made by the Supplier under or in connection with the Order, Pearson shall, on receipt of a valid tax invoice from the Supplier, pay to the Supplier an additional amount equal to the Indirect Tax payable by the Supplier in respect of the supply at the same time as payment is due for the supply of the relevant Goods or Services. This clause does not apply to the extent that consideration for the supply is expressed in the Order to be inclusive of Indirect Tax.

9.6 Pearson may at any time set off any liability of the Supplier to Pearson against any liability of Pearson to the Supplier, whether or not either liability arises under the Order.

9.7 If a party fails to make any payment due to the other party under the Order by the due date for payment, then the defaulting party shall pay interest on
the overdue amount at the rate of 4% per annum above HSBC's base rate from time to time. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount. This clause shall not apply to payments that the defaulting party disputes in good faith.

10. INTELLECTUAL PROPERTY RIGHT

10.1 Subject to clause 10.2, the Supplier assigns to Pearson, with full title guarantee and free from all third party rights or any Intellectual Property Rights in the Deliverables, and shall obtain waivers of all moral rights in the Deliverables to which any individual is now or may be at any future time entitled.

10.2 The Supplier shall not assign to Pearson any Intellectual Property Rights in any Supplier IPR. The Supplier grants Pearson and the Pearson Group (which includes their agents, subcontractors and outsourcers) a non-exclusive, perpetual, irrevocable, worldwide, transferable, royalty-free licence to use the Supplier IPR.

10.3 In the event that Pearson procures the Services and Deliverables for use as part of a product or service that Pearson sells or otherwise makes available to its customers or end users in the course of its business, and except as otherwise expressly set out in the Order, the Supplier shall grant Pearson and the Pearson Group a non-exclusive, perpetual irrevocable worldwide, transferable, royalty-free licence to any Supplier IPR that is combined with the Deliverables to publish, reproduce, modify, adapt, decompile, translate, customise, register any rights in Pearson’s name, sell, sub-licence, in all languages and in all formats and media now known or to be created in the future, combine or use with other Pearson or third-party materials and otherwise use and exploit the Supplier IPR throughout the world.

10.4 The Supplier shall, promptly at Pearson’s request, do (or procure to be done) all such further acts and things and the execution of all such other documents as Pearson may from time to time require for the purpose of securing for Pearson the full benefit of the Order, including all right, title and interest in and to the Intellectual Property Rights granted to Pearson in accordance with this Clause 10.1.

10.5 All Pearson Materials are the exclusive property of Pearson. Nothing in these Terms shall be construed as conferring upon the Supplier any licence, right, title, ownership or other interest in any Intellectual Property Rights owned by Pearson.

11. LIMITATION AND INDEMNITY

11.1 Nothing in the Order restricts or excludes either party’s liability for: (a) death or personal injury caused by that party’s negligence; (b) fraud or fraudulent misrepresentation; or (c) any other liability which cannot be excluded or restricted by law.

11.2 Save for the indemnities in clause 11.5, and subject to clauses 11.1, and 11.6 and the remainder of this clause 11.2, neither party shall be liable to the other or to any third party, whether in contract, tort (including negligence), under any statute or otherwise, for or in respect of any indirect or consequential loss howsoever arising. Nothing in this clause 11.2 shall preclude Pearson from recovering: (i) wasted management time and expenses and re-acquisition costs incurred; (ii) its costs and losses in relation to any data loss or corruption; (iii) any sums related to any penalties and fines imposed by any regulator and any associated investigations or remedial actions required; (iv) any claims, damages, losses, expenses and costs (excluding legal costs) awarded against, or incurred or paid by, Pearson as a result of or in connection with a matter indemnified under clause 11.5.

11.3 Subject to clauses 11.1 and 11.2, and to the maximum extent permitted by law, the total aggregate liability of Pearson and the Pearson Group, whether in contract, tort (including negligence), under statute or otherwise, under in connection with the Order or the receipt of the Goods or Services is limited to an amount equal to the Charges paid or payable by Pearson under the Order.

11.4 Save for the indemnities in clause 11.5, and breaches of clauses 13 (Confidentiality) and/or 14 (Pearson Policies) (for which the Supplier’s liability remains uncapped), and subject to clauses 11.1, 11.2, 11.6 and to the maximum extent permitted by law, the liability of the Supplier per claim, whether in contract, tort (including negligence), under statute or otherwise, under in connection with the Order or the provision of Goods or Services is limited to an amount equal to 100% of the Charges paid or payable by Pearson under the Order.

11.5 The Supplier shall keep Pearson and the Pearson Group indemnified against all liabilities, costs, expenses, damages incurred by Pearson or the Pearson Group as a result of or in connection with:

(a) any claim made against Pearson or the Pearson Group for actual or alleged infringement of any Intellectual Property Rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services and Deliverables;
(b) any claim made against Pearson or the Pearson Group by a third party for damage to property arising out of, or in connection with, defects in the Goods or Services, to the extent that the defects in the Goods or Services are attributable to acts or omissions of the Supplier’s, its employees, agents or subcontractors;
(c) a breach by the Supplier of any applicable law; and
(d) any claim made against Pearson or the Pearson Group by a third party arising out of or in connection with the supply of the Goods, or Services, to the extent that such claim arises out of the negligent performance of the Order by the Supplier, its employees, agents or subcontractors.

11.6 This clause 11 shall survive termination of the Order.
15.5 Termination of the Order shall not affect any of the parties' rights and remedies that have accrued as at termination.
15.6 Clauses which expressly or by implication survive termination of the Order shall continue in full force and effect.

16. CONSEQUENTIALS OF TERMINATION
16.1 On termination of the Order for any reason, the Supplier shall promptly deliver to Pearson all Deliverables whether or not then complete, and return in industry standard format, or at Pearson's option, destroy all Pearson Materials, Pearson Confidential Information and all Pearson data.

17. FORCE MAJEURE
17.1 Neither party shall be in breach of the Order nor liable for delay in performing, or failure to perform, any of its obligations under it if such a delay or failure results from an event, circumstances or cause beyond its reasonable control, including governmental regulations, fire, flood, or any disaster or an industrial dispute affecting a third party for which a substitute third party is not reasonably available and which event could not have been prevented or mitigated by industry standard disaster recovery or business continuity plans ("Force Majeure Event"). If either party becomes aware of circumstances of Force Majeure which are likely to give rise to any such delay or failure on its part it shall notify the other party and inform the other party of the period which it is estimated that such failure or delay shall continue.

17.2 If a Force Majeure Event prevents, hinders or delays the Supplier's performance of its obligations for a continuous period of more than 30 Business Days, Pearson may terminate the Order immediately by giving written notice to the Supplier. The Supplier shall use all reasonable endeavours to mitigate the effect of a Force Majeure Event on the performance of its obligations.

18. GENERAL
18.1 Assignment. Pearson may at any time novate, and in whole or in part, assign, transfer, mortgage, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Order.
18.1.1 The Supplier may not novate, assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with all or any of its rights or obligations under the Order without the prior written consent of Pearson.

18.2 Subcontracting. Where Pearson consents to a subcontract under clause 18.1, such consent will not relieve the Supplier of its obligations to Pearson and the Supplier shall be fully responsible to Pearson for the acts or omissions of its subcontractors.

18.3 Notices. Any notice or other communications required or permitted to be given under the Order shall be in writing and shall be delivered or transmitted to the intended recipient's address as specified in the Order or such other address as either party may notify to the other from time to time in accordance with this clause. Any notice shall be treated as having been served: (a) on delivery, if delivered by hand; (b) at 9.00am on the second Business Day after posting, if sent by pre-paid first class post or other next working day delivery service; (c) at the date and time that the courier's delivery receipt is signed, if delivered by commercial courier; or (d) at 9.00am on the next Business Day after transmission, if sent by e-mail. The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

18.4 Publicity. Supplier agrees that it will not directly or indirectly, without the prior written consent of Pearson, issue a press release related to Pearson or any of the Pearson Group or use for the purposes of advertising, promotion, or publicity, or otherwise, the name of Pearson or any of its divisions, or those of any part of the Pearson Group, or any trade marks, trade names, service marks, symbols or any abbreviation thereof, of Pearson or of any of its divisions, of those of any part of the Pearson Group.

18.5 Severance. If any provision or part-provision of the Order or any other document in any legal action.

18.6 Rights and remedies. The rights and remedies provided under the Order are in addition to, and not exclusive of, any rights or remedies provided by law.

18.7 Waiver. A waiver of any right or remedy under the Order or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Order or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

18.8 No partnership or agency. Nothing in the Order is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, nor constitute a relationship of employment, or either party the agent of the other for any purpose. Neither party shall have authority to act as agent for, or to bind, the other party in any way.

18.9 Third parties. A person who is not a party to the Order shall not have any rights to enforce its terms.