

Terms and Conditions

These terms of business apply to all software development, consultancy and technical leadership services that Two Hat Software Ltd provides to business clients.

1. About these terms

1.1 In these terms, "we", "us" and "our" mean Two Hat Software Ltd, a company registered in England and Wales with company number 17490460, whose registered office is Apartment 6, 89 Parade, Leamington Spa, England, CV32 4NL. "You" and "your" mean the business that engages us.

1.2 We provide services only to businesses, not to consumers.

1.3 Each piece of work is described in a statement of work ("SOW"). A SOW may be a separate document, a written proposal or an email that both parties have accepted in writing. Each SOW, together with these terms, forms a separate contract.

1.4 If a SOW conflicts with these terms, the SOW applies, but only where it expressly says which clause of these terms it changes.

1.5 These terms apply instead of any terms you try to impose, including terms on a purchase order, unless we both sign a document saying otherwise.

1.6 If we are engaged through a recruitment agency or another intermediary, our contract with that intermediary governs the engagement, and these terms apply only so far as they are consistent with it.

2. Our relationship

2.1 We are an independent business. We provide services to you as a client, and nothing in any contract between us creates employment, worker status, partnership, a joint venture or agency.

2.2 Our director and any substitute or subcontractor we use (together, our "personnel") are not your employees or workers. They are not entitled to salary, holiday pay, sick pay, pension contributions, bonuses or any other employee benefit from you.

2.3 You are not obliged to offer us further work, and we are not obliged to accept any further work you offer. Each SOW is a separate engagement.

2.4 We may provide services to other clients at the same time, provided that doing so does not breach our confidentiality obligations or cause a conflict of interest we have not told you about.

2.5 We will not hold ourselves out as your employee or as having authority to bind you, unless a SOW expressly gives us that authority for a defined purpose.

3. How we deliver the services

3.1 A SOW sets out the outcomes, deliverables and any milestones you need. We decide how the services are carried out, including the methods, tools and approach we use, and when and where the work is done, so long as we meet the agreed milestones.

3.2 Your supervision, direction or control of the way we carry out the services is not permitted. You may set out the result you need, give reasonable instructions about the scope of the work, and ask us to follow your reasonable security, site access and health and safety rules.

3.3 Where the services include technical leadership or advice, we provide them as a consultancy service with outcomes defined in the SOW. We will not line manage your staff, and we have no authority to hire, dismiss or discipline them. Your staff remain managed by you.

3.4 We provide our own equipment, software and working space, unless a SOW says otherwise or your security policy requires us to use equipment you provide.

3.5 We are not subject to your staff policies, appraisals, performance reviews or disciplinary procedures. If you have a concern about the services, we will deal with it under clause 9 and the SOW.

4. Substitution and subcontracting

4.1 We may provide a substitute to carry out all or part of the services. The substitute must have the skills, qualifications and experience the SOW requires.

4.2 You may reject a proposed substitute only on reasonable and objective grounds, such as lacking the required skills or qualifications, failing a security clearance or background check that applies to the role, or having a conflict of interest. You must tell us your reasons in writing.

4.3 We will pay the substitute ourselves. Handover between our personnel will be at our own cost, and you will not be charged for any time needed to bring a substitute up to speed.

4.4 We may also use subcontractors or assistants to help us deliver the services, on the same basis as substitutes.

4.5 We remain responsible for the services and deliverables whoever carries them out. Every substitute, subcontractor and assistant will be bound by confidentiality and data protection obligations at least as strict as those in these terms.

5. Off-payroll working rules (IR35)

5.1 We both intend that the services will be provided on a genuinely independent basis, and that the off-payroll working rules in Chapters 8 and 10 of Part 2 of the Income Tax (Earnings and Pensions) Act 2003 will not treat our personnel as your employees for tax purposes.

5.2 If you are a medium or large business, Chapter 10 applies, and you are responsible for deciding our employment status for tax purposes. You must take reasonable care in making that decision and give us a status determination statement, with your reasons, before the services start and whenever the decision changes. If we disagree with the determination, you must deal with our representations within 45 days, as the legislation requires.

5.3 If you are a small business, as defined by the Companies Act 2006, Chapter 8 applies and we are responsible for deciding our employment status. Please tell us before the services start if you are, or become, medium or large.

5.4 We will co-operate with any reasonable request for information you need to make or review a status determination.

5.5 Each of us will tell the other promptly if the way the services are actually carried out changes in a way that could affect our status, so that we can review the position together.

6. Your responsibilities

6.1 You will give us, on time, the access, information, decisions and approvals we reasonably need. This includes access to systems, accounts, people and premises.

6.2 You are responsible for the accuracy of the information and materials you give us, and for having the right to let us use them.

6.3 If you delay or fail to meet these responsibilities, we are not responsible for any resulting delay. We may adjust the timetable and charge for any extra time and costs this causes.

7. Fees and payment

7.1 Each SOW states how we charge. This is either:

- a day rate, where a day means a working day of about seven and a half hours, however we choose to schedule the work, or

- a fixed price for defined deliverables.

7.2 For day rate work, we invoice monthly in arrears unless the SOW says otherwise. For fixed price work, we invoice on the milestones set out in the SOW.

7.3 Invoices are payable within 30 days of the invoice date, unless the SOW sets a different period.

7.4 All fees are exclusive of VAT, which we will add where it applies.

7.5 We charge expenses only where the SOW allows them or you have agreed them in writing in advance.

7.6 If you pay late, we may charge interest and compensation under the Late Payment of Commercial Debts (Interest) Act 1998. If an invoice is more than 14 days overdue, we may also suspend the services after giving you seven days' written notice.

8. Financial risk and quality

8.1 For fixed price work, we bear the cost of any overrun in the time we need to complete the agreed deliverables. The exceptions are overruns caused by changes you ask for, or by you not meeting your responsibilities under clause 6.

8.2 If a deliverable does not meet the SOW, and you tell us within 30 days of delivery, we will correct it at our own cost and in our own time.

9. Changes

9.1 Either of us may ask for changes to a SOW. A change takes effect only when we have both agreed it in writing, including any effect on the fees and timetable.

10. Intellectual property

10.1 When you have paid in full for a deliverable, we assign to you the intellectual property rights in the material we created specifically for you as part of that deliverable.

10.2 We keep ownership of our background materials. These are the tools, code libraries, templates, methods and know-how we owned before the SOW, or developed independently of it. Where our background materials are built into a deliverable, we give you a non-exclusive, perpetual, royalty-free licence to use, copy and modify them as part of that deliverable.

10.3 Open source and third-party components are licensed to you under their own licence terms. We will tell you about any licence that places significant restrictions on how you can

use a deliverable.

10.4 Nothing in these terms stops us using the general skills, knowledge and experience we gain while working for you, provided we do not disclose your confidential information.

11. Confidentiality

11.1 Each of us will keep the other's confidential information confidential. We will use it only to perform or receive the services, and disclose it only to people who need to know it and are bound by equivalent obligations.

11.2 This obligation does not apply to information that is or becomes public through no fault of the receiving party, that the receiving party already had or developed independently, or that must be disclosed by law or by a regulator.

11.3 This clause continues for five years after the last SOW ends.

12. Data protection

12.1 Each of us will comply with the data protection laws of the United Kingdom, including the UK GDPR and the Data Protection Act 2018.

12.2 Where we process personal data on your behalf as your processor, we will:

- process it only on your documented instructions
- make sure our personnel are bound by confidentiality
- keep it secure using appropriate technical and organisational measures
- engage another processor only with your prior authorisation and on equivalent terms
- help you respond to requests from data subjects and meet your security, breach notification and impact assessment obligations
- tell you without undue delay after becoming aware of a personal data breach
- delete or return the data at the end of the services, unless the law requires us to keep it
- give you the information you reasonably need to show compliance, and allow and contribute to reasonable audits

12.3 A SOW, or a separate data processing agreement, will describe the subject matter, duration, nature and purpose of the processing, the types of personal data, and the categories of data subjects.

13. Warranties

13.1 We will perform the services with reasonable skill and care and in line with good industry practice.

13.2 Software is complex, and we do not promise that any deliverable will be free of all errors or will run without interruption.

13.3 We are not responsible for services, software or infrastructure provided by third parties, including cloud platforms, unless the SOW says otherwise.

14. Liability

14.1 Nothing in these terms limits or excludes liability for:

- death or personal injury caused by negligence
- fraud or fraudulent misrepresentation
- any other liability that cannot lawfully be limited or excluded

14.2 Neither of us is liable to the other for any loss of profit, revenue, business, goodwill or anticipated savings, or for any indirect or consequential loss.

14.3 Our total liability under or in connection with each SOW, however it arises, is limited to the total fees paid and payable under that SOW in the 12 months before the event that gave rise to the claim.

14.4 We are not liable for loss or corruption of data, except for the reasonable cost of restoring it from your most recent backup.

15. Insurance

15.1 Where a SOW requires us to hold a particular type or level of insurance, we will put that insurance in place before the services start, keep it for the duration of the SOW, and give you evidence of it on request.

16. Ending a contract

16.1 Either of us may end a SOW by giving the other the written notice stated in the SOW. If the SOW does not state a notice period, the notice period is two weeks.

16.2 Either of us may end a SOW immediately by written notice if the other:

- commits a material breach that cannot be remedied

- commits a material breach that can be remedied, but fails to remedy it within 14 days of written notice
- becomes insolvent, enters administration or liquidation, or stops trading

16.3 When a SOW ends, you will pay for all services performed and expenses incurred up to the end date. For fixed price work, you will pay a fair proportion of the price, reflecting the work completed.

16.4 Clauses 5, 7, 10, 11, 12, 14 and 17 continue to apply after a SOW ends.

17. Tax

17.1 We are responsible for paying any income tax, national insurance and other taxes due on our profits and on our payments to our personnel, except where the off-payroll working rules make you or another fee-payer responsible for deducting tax.

17.2 We will indemnify you against any tax and national insurance contributions that you have to pay because we failed to account for tax on our own income. This does not apply to any liability that arises from your status determination, or from you failing to meet your own obligations under the off-payroll working rules.

18. General

18.1 Events beyond our control. Neither of us is liable for delay or failure caused by events beyond our reasonable control. If such an event continues for more than 30 days, either of us may end the affected SOW by written notice.

18.2 Notices. Notices under these terms must be given in writing. Notices to us should be sent by email to admin@twohatsoftware.co.uk. Notices to you will be sent to the contact named in the SOW.

18.3 Assignment. Neither of us may transfer our rights or obligations under a contract without the other's written consent, which must not be unreasonably withheld. This does not limit our right to provide substitutes under clause 4.

18.4 Entire agreement. Each SOW and these terms form the whole agreement between us about the subject of that SOW, and replace any earlier discussions or arrangements.

18.5 Variation. Any change to these terms or to a SOW must be in writing and agreed by both of us.

18.6 Waiver. A failure or delay in exercising a right does not waive it.

18.7 Severance. If any provision is found to be invalid or unenforceable, the rest of the contract continues to apply.

18.8 Third party rights. No one other than us and you has any right to enforce these terms under the Contracts (Rights of Third Parties) Act 1999.

18.9 Governing law. These terms, and any dispute arising from them, are governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction.

Document control

These terms of business took effect on 3 October 2026 and will be reviewed at least once a year. Approved by George Dennington, Director.

Two Hat Software Ltd is registered in England and Wales, company number 17490460.

Registered office: Apartment 6, 89 Parade, Leamington Spa, England, CV32 4NL.

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