Q5 Systems is registered to ISO 9008:2000, the only SMS software company that has achieved this rigorous quality standard for its management systems.

Why is this important? It is an assurance that Q5 has implemented policies and procedures to ensure quality of its software and services. It means that Q5 continually seeks new ways to improve product and service delivery. And most importantly, it emphasizes that our customers' expectations must be clearly understood by Q5, clearly stated to our employees, and as a result, delivered on time, within budget, as expected.

Q5 Systems and its employees stand behind every subscription for the Q5 software and services. We guarantee that we will meet service delivery standards expected in the industry. How? One way is through our Master Services and License Agreement (MSA). The Q5 MSA puts our guarantees on paper. It lets our customers know what they have purchased. It describes customer rights, Q5's promises and obligations, our service levels and the conditions by which the services are delivered, maintained and kept secure.

Please read the MSA. It is a legal document that describes your rights and remedies. We understand legal documents can be lengthy and sometimes hard to understand. To help, we have prepared a synopsis of the main areas. The following two pages briefly highlight the most important areas and where they can be located in the MSA. If you have any questions or special conditions that may affect how you need to use the services, please let us know.

In summary, a formal agreement is a necessary document that gives our customers the confidence they need to invest their time (and money) in our software and services. However, documents are no substitute for good service. We believe Q5 offers one of the best business solutions in the marketplace today. Our best references come from others who use Q5 for their businesses.

We make one promise to all our Customers that is not in the MSA. We will do our best to earn your continued business.

We guarantee it.

John Lukins
President
Q5 Systems

1. What is the MSA and How is the Agreement Organized?

   The Master Services and Licensing Agreement is a multi-part document. It includes the main body and five Appendices. Together, they form the MSA. The main body of the Agreement is divided into 11 Articles. The Articles are further divided into Sections. The Articles and Sections are outlined in the Table of Contents.

2. What is the Purpose of the Agreement?

   Article1 describes the purpose and contents of the Agreement and a list of terms and their definitions used in the Agreement.

3. Where Do I Find the Terms and Conditions for the Q5 Licenses?

   Article 2 of the MSA describes the general grant of licenses and in Appendix A the terms are described in detail.

4. What are the Guidelines with Respect to Fees, Payment and Taxes?

   Article 3 of the MSA states the expectations for payment of fees and taxes.

5. How do We Know if we are Using the Number and Type of Licenses Purchased?

   Article 4 of the MSA says Q5 may do a count of the users in the Customer system to make sure the number and type match the Quotation or Purchase Order. Sometimes the Customer's business may require additional or different type of licenses and if so, we will make the necessary adjustments together.

6. What is the Guarantee for Protection and Ownership of our Customer Data?

   Article 5 clearly says the Customer owns all rights in the data it enters in the software and Q5 will treat all such data as confidential. This Article also affirms that Q5 owns all rights (Intellectual Property) in the software itself. Appendix D describes the Hosting Services and the data security obligations.

7. What is the Duty of Care for Customer and Q5 Confidential Information?

   Article 6 re-states the importance of Confidential Information that was defined in Articles 1 and 5 and emphasizes the responsibilities and duty of care of both the Customer and Q5 with respect to Confidential Information.

8. How does the Agreement Renew, or End?

   Article 7 defines how the term of the Agreement is defined and the means by which the Agreement can be renewed, or ended. The duration of the license term will also be stated on the Customer Approved Quotation or Purchase Order.

9. What are Customer Warranties and Promises?

   In the 1st section of Article 8, the Customer affirms it is a bona fide legal business, that it agrees to respect the Agreement and its terms, and it will ensure its employees will use the Q5 software and services in accordance with the Agreement.

10. What are the Q5 Warranties and Promises?

    In the 2nd section of Article 8, Q5 affirms that it is a bona fide legal corporation and that the Agreement is binding on Q5 and its employees. This is also where Q5 stands behind the Q5 software. Q5 states that the Q5 software does not infringe on any ownership right, and that if a Q5 component is found to infringe Q5 will provide a remedy for the Customer. Q5 also warranties that the Q5 workmanship is performed to expected industry standards, and finally, that the software will perform as demonstrated and documented in its manuals and guides.

11. What are the Limitations of the Q5 Warranties?

    Article 9 contains the necessary legal waivers to protect the Customer and Q5 with regard to liability. The first Section 9.1 says because the Q5 software is a commercial-off-the-shelf product, neither the Customer nor Q5 have entered this Agreement with the expectation that the software was designed specifically for the Customer for a specific purpose. Rather, the

software is licensed to many varied customers and each use the software's common functions and features to the extent they need. This area also mentions errors, defects and up-time availability in a general sense which are more specifically addressed in the <u>Appendix C, Technical Support services.</u>

In Sections 9.2 and 9.3, the Customer recognizes that ultimately it must determine whether Q5 software is suitable for its business or not, just as it would for most products and services. It also says that the fees for licenses are negotiated in a fair and reasonable manner and are reflective of the risk that the software may not meet the Customer business requirements. In other words, both Q5 and the Customer invest a reasonable amount of up-front time to ensure as best they can the software is a good fit, but it cannot be guaranteed that it will be.

Section 9.2 also points out that "how" the Customer uses the software, "what" is entered by the Customer, and "decisions" made from the information entered are the responsibility of the Customer and Customer's users.

12. <u>In the Unlikely Event of a Legal Action, Who Defends Who?</u>

Article 9 says the Customer is responsible for its usage of the software and services. Article 10.1 says Customer will defend Q5 from any actions that might arise from its usage and in Article 10.2, actions from any 3rd party the Customer authorizes to use the system.

In Article 10.3, Q5 stands behind the assertion that it owns all rights in the software itself. If a claim is brought against the Customer regarding Q5's Intellectual Property, Q5 will take full responsibility to defend the claim and will "hold the Customer Harmless" from any such claims; period.

13. <u>Why Is there a Click-Accept License Embedded in the Software?</u>

The Customer as a registered Corporation has purchased the license rights and so the MSA applies to it. It is the responsibility of the Customer to ensure the terms and conditions are implemented through its users. However, each user will also see a personal acceptance on first sign-on to the software. It is a notification to the user that its employer has purchased a license for him/her to use the software, for a purpose, and that the software is protected by copyright laws. The EULA is Exhibit B.

14. <u>Where Do I Find Information on Service Level and Support?</u>

<u>Appendix C</u> defines what is included in technical support, including how to submit a support request, what to do in case of system unavailability, and incident response times.

15. <u>Where Do I find Information for the Hosting and Security of Customer Information.</u>

<u>Appendix D</u> describes hosting requirements, reliability, backups, server security and Server maintenance.