GENERAL TERMS AND CONDITIONS

of Balsoft GmbH

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§ 1 GENERAL PROVISIONS AND SCOPE OF APPLICATION

These General Terms and Conditions ("GTC") form the basis of every business relationship between Balsoft GmbH, Herler Str. 109, 51067 Köln (hereinafter "Balsoft"), and its respective clients (hereinafter "Customer") and apply for the entire term of that relationship. These GTC apply exclusively to entrepreneurs within the meaning of Section 14 of the German Civil Code (BGB), legal entities under public law and special funds under public law; they do not apply to consumers.

Balsoft is a Microsoft partner and specialises in the consulting, implementation, operation, support and further development of solutions based on Microsoft technologies. Its activities focus on Microsoft Dynamics 365 Finance & Operations and on the development and customisation of customer-specific cloud solutions based on Microsoft Azure; in addition, Balsoft supports in particular Microsoft Dynamics AX 2009 and Microsoft Dynamics AX 2012 as well as further products and services from the Microsoft ecosystem. Furthermore, Balsoft develops and distributes its own software products (hereinafter "Balsoft Products", such as Balsoft E-Rechnung).

Conflicting, deviating or supplementary terms and conditions of the Customer shall not become part of the contract unless Balsoft agrees to their application in writing in the individual case. Individually agreed arrangements, in particular project contracts and offers, shall always take precedence over these GTC.

§ 2 SUBJECT MATTER OF THE GTC

These GTC govern the provision of services, the provision and distribution of software and other services of Balsoft. The scope of services includes in particular:

a) recording and evaluation of Customer requirements with effort estimation;

b) development and implementation of customer-specific extensions in Microsoft Dynamics environments (in particular Dynamics 365 Finance & Operations as well as AX 2009 and AX 2012) and of the Balsoft Products;

c) design, development, customisation and operation of customer-specific cloud solutions based on Microsoft Azure, in particular integrations, interfaces and automations, as well as further Microsoft technologies;

d) customisation and development of e-invoicing formats (XRechnung, ZUGFeRD) as well as associated evaluations and reports;

e) installation, configuration, maintenance and further development of the Balsoft Products, including updates, release changes and error correction;

f) technical and functional consulting, workshops, training courses and training sessions for key users;

g) system administration, release management, bug fixing and performance optimisation;

h) design and implementation of interfaces to third-party systems, data migration and data quality checks;

i) preparation and handover of technical and user documentation.

"Software" within the meaning of these GTC means both programs created by Balsoft itself ("Proprietary Software" or "Balsoft Products") and programs obtained from third-party manufacturers ("Third-Party Software").

§ 3 CONCLUSION OF CONTRACT, AMENDMENTS AND PRICE ADJUSTMENT

Orders and offers shall be issued in writing or in text form, for example by e-mail or via the jointly used project platform. Oral agreements become binding only upon confirmation in writing or in text form; this applies in particular to any change to the subject matter of the contract.

Balsoft may carry out minor tasks with an expected effort of no more than two hours ("Minor Activities") without separate prior confirmation and invoice them on a time and material basis, provided that no more than eight hours in total are incurred for such tasks per calendar month; activities exceeding this require the prior confirmation of the Customer in text form. Minor Activities are documented in the time recording system and shown separately in the monthly collective invoice.

Meeting minutes prepared by Balsoft and documentation stored on the project platform become binding if the Customer does not object to them within ten working days of receipt. This does not apply to material changes to the scope of services, the remuneration or the term of the contract; such changes always require the express confirmation of the Customer in text form.

If a project falls into delay for a reason for which the Customer is responsible, Balsoft is entitled, after prior notice in text form, to adjust the agreed prices to the extent that salaries, purchase prices or comparable procurement costs have increased during the delay.

§ 4 SCOPE OF SERVICES AND MANNER OF PERFORMANCE

The exact scope of services is determined by the Customer's requirements and the individual agreements made in this regard. Incoming requirements are continuously recorded, evaluated, supported by an effort estimate and implemented after approval by the Customer in text form (including via the project platform).

Where software is provided, support, further services and future additions, extensions and additional functions that are not part of the specification at the time of delivery are not covered by the licence or provision fee and are remunerated separately.

Balsoft owes the installation of software and the preparation of system and user documentation only where this has been expressly agreed.

Balsoft may perform the services itself or engage qualified third parties for this purpose. Balsoft determines the approach, place of work and working hours, subject to any deviating arrangements; working hours are coordinated flexibly.

Services are generally performed in a single stage. Where this is not possible due to the scope or as a result of a change to the subject matter of the services initiated by the Customer, Balsoft may deliver in parts.

§ 5 DELIVERY DATES AND DEADLINES

Delivery dates are generally non-binding unless they have been expressly agreed as binding in the individual case. The Customer may rely on a date only if it has duly fulfilled its duties to co-operate, such as the provision of information, documents and approvals.

If change requests of the Customer cause additional effort, Balsoft may postpone delivery dates to a reasonable extent. An order is also effective if placed by approval on the project platform.

If other events occur for which Balsoft is not responsible and which prevent a date from being met, that date shall be postponed by a reasonable period, but at least by the duration of the impediment plus a reasonable restart period. Delays on the part of the Customer extend the deadlines accordingly.

§ 6 FORCE MAJEURE

Events of force majeure which substantially impede or temporarily prevent Balsoft from performing in accordance with the contract release Balsoft from its obligation to perform for the duration of the disruption and to the extent of its effect. Force majeure means all extraordinary circumstances for which Balsoft is not responsible, such as natural events, epidemics and pandemics, industrial disputes, power and network failures, disruptions at upstream suppliers or cloud services, governmental measures and large-scale IT and cyber disruptions.

Agreed deadlines are extended by the duration of the disruption plus a reasonable restart period. Balsoft shall inform the Customer without undue delay of the occurrence and expected duration of the disruption. If the disruption lasts longer than two months, either party is entitled to terminate the affected order with respect to the part not yet performed.

§ 7 ACCEPTANCE OF WORK PERFORMANCES

Where a service constitutes a work performance, the Customer shall declare acceptance in text form within 14 calendar days of the provision or completion of the work. Partial performances may each be tested and accepted separately.

The service is deemed accepted if the Customer does not give notice of a defect in text form within 14 calendar days of provision or if it puts the subject matter of the contract into productive use. Balsoft shall specifically draw attention to this legal consequence when giving notice that the work is ready for acceptance.

Acceptance may be refused only on account of material defects. Since, according to the current state of the art, ERP and business software cannot be produced entirely free of errors even with the greatest testing effort, not every program error constitutes a material defect. A material defect exists only if the program flow as a whole or in essential functions is impaired.

§ 8 DUTY TO INSPECT AND GIVE NOTICE OF DEFECTS

If the Customer is a merchant, it shall inspect delivered software and other deliverables without undue delay after provision and give notice of recognisable defects in text form without undue delay, but no later than within seven calendar days; hidden defects shall be notified without undue delay after their discovery. If timely notice is not given, the delivery is deemed approved to that extent (Section 377 of the German Commercial Code (HGB)). The Customer shall likewise give notice of recognisable defects in other services, in particular in services rendered, without undue delay in text form.

The notice of defects shall be given in a comprehensible form, stating the information useful for error analysis, in particular by means of screenshots and a description. The Customer shall do what can reasonably be expected of it to keep any resulting damage to a minimum.

§ 9 RESPONSE AND RESOLUTION TIMES (SUPPORT)

Normal business hours within the meaning of these GTC are Monday to Friday from 9:00 to 17:00 (German time), excluding public holidays in North Rhine-Westphalia. Unless otherwise agreed, Balsoft endeavours to process reported errors, measured by reference to normal business hours, within the following response and resolution times graded by severity level. These times are target values and not binding guaranteed deadlines; binding service levels require a separate agreement (SLA). Balsoft classifies errors into severity levels at its reasonable discretion, taking into account the information provided by the Customer:

a) Severity 1 (system outage): target start of error analysis within 4 hours, target resolution or provision of a workaround within 24 hours;

b) Severity 2 (critical function): target start of error analysis within 8 hours, target resolution or workaround within 48 hours;

c) Severity 3 (non-critical function): target start of error analysis within 24 hours, target resolution within 5 working days;

d) Severity 4 (cosmetic error): target resolution in the next sprint or release.

§ 10 DUTIES OF THE CUSTOMER TO COOPERATE

Smooth and prompt performance of the services requires comprehensive cooperation by the Customer. In particular, the Customer shall provide free of charge and in good time:

a) access credentials and access to infrastructure, servers and systems (VPN, test and production environments, databases); Balsoft chooses between remote maintenance (RDP or equivalent) and on-site work during normal business hours;

b) hardware and software for test and development purposes as well as suitable test data and test environments;

c) a suitable online communication platform (preferably Microsoft Teams) together with the necessary communication infrastructure;

d) reasonable availability of the designated key users during normal business hours for coordination and acceptance;

e) the timely procurement and release of the relevant information, records and documents.

If necessary cooperation is not provided, agreed deadlines are extended accordingly. If the Customer fails to perform an act of cooperation even after a deadline has been set, it shall reimburse Balsoft for the additional effort arising therefrom. The Customer shall inform Balsoft in good time of any intended changes to the subject matter of the services or to systems connected with it.

§ 11 DATA BACKUP

Unless otherwise agreed, the Customer is responsible for data backup. Data backup comprises all possible and reasonable measures to preserve the existence and integrity of the Customer's data and shall be carried out regularly, in particular before the start of services or service work and in the event of malfunctions and irregularities. The Customer bears the risk of data loss to the extent that the damage could have been avoided by proper and regular data backup; the liability of Balsoft under § 14 of these GTC otherwise remains unaffected.

§ 12 REMUNERATION

Unless otherwise agreed, Balsoft invoices services on a time and material basis (Time & Material). The amount of the remuneration is determined by the agreement made in the individual contract or offer or by the price list of Balsoft applicable from time to time. The services rendered are documented via time recording and estimated per requirement.

By the third working day of the following month, Balsoft issues a collective invoice for all hours worked in the previous month. All prices are exclusive of the statutory value added tax applicable from time to time.

Balsoft is entitled to adjust the remuneration rates for ongoing services for the first time twelve months after conclusion of the contract and thereafter no more than once per calendar year. The adjustment is measured by the development of the producer price index for information technology services (WZ 2008: 62) published by the German Federal Statistical Office; an increase is limited to the percentage change in this index since the last price determination and shall be evidenced at the time of notification by stating the relevant index values. Price adjustments shall be announced in text form at least three months before they take effect. If the increase exceeds 2 % of the most recently applicable remuneration, the Customer may terminate the affected ongoing service in text form with one month's notice with effect from the date on which the increase takes effect.

§ 13 DUE DATE, PAYMENT TERMS AND SET-OFF

Invoices are payable within 14 days strictly net without deduction. In the event of default in payment, default interest is charged at the statutory rate; the right to claim further damages caused by default is reserved.

If the Customer is in default with a payment, Balsoft may withhold further deliveries and services under the same legal relationship. If there are reasonable doubts as to the Customer's ability to pay or creditworthiness, Balsoft may demand security or advance payments.

The Customer may set off only counterclaims that Balsoft has acknowledged or that have been finally established by a court. Likewise, the Customer is entitled to a right of retention only on account of undisputed claims or claims that have been finally established by a court.

§ 14 LIABILITY

Balsoft is liable without limitation in accordance with the statutory provisions for damage resulting from intent and gross negligence, for damage resulting from injury to life, body or health and within the scope of mandatory statutory liability provisions.

In the case of simple negligence, Balsoft is liable only for the breach of material contractual obligations (cardinal obligations) and limited to the foreseeable damage typical of the contract. In these cases, liability is limited in amount to EUR 2.000.000 per claim; this corresponds to the sum insured under the business or IT liability insurance maintained by Balsoft (per claim, with an annual maximum). Within this limit, consequential financial losses are also recoverable. Balsoft maintains corresponding insurance for the duration of the business relationship and shall provide evidence of the insurance cover to the Customer on request by means of an insurance confirmation.

For loss of data, Balsoft is liable only up to the amount of the effort that would have been required for recovery had the Customer carried out proper and regular data backups. If the Customer fails to carry out such backups, liability for loss of data in the case of simple negligence is excluded. Balsoft is not liable for the Customer's own developments.

The above exclusions and limitations of liability also apply in favour of the legal representatives, employees and vicarious agents of Balsoft.

§ 15 WARRANTY

Balsoft warrants for a period of twelve months from delivery, or from acceptance in the case of work performances, that Proprietary Software or Balsoft Products and work performances rendered individually for the Customer are essentially free of defects and essentially conform to the associated documentation or the agreed specification.

Defects occurring within the warranty period shall be notified to Balsoft without undue delay in text form and in a comprehensible manner (with screenshots and a description). The Customer shall grant Balsoft the time and opportunity required for rectification. In the case of a justified notice of defects, Balsoft is entitled to up to two attempts at rectification; only if these finally fail may the Customer, at its option, reduce the remuneration or withdraw from the contract.

The warranty does not apply to the extent that the Customer modifies the services itself or through third parties without the consent of Balsoft, unless the Customer proves that the modification did not cause the defect. If Balsoft takes action on the basis of a notice of defects without there being a defect for which it is responsible, it may demand remuneration for the effort incurred.

Requests for changes or extensions expressed after acceptance that go beyond the warranty are deemed new service requirements and are commissioned and invoiced separately with an effort estimate.

§ 16 LIMITATION PERIOD

Claims of the Customer on account of defects become time-barred twelve months after the statutory commencement of the limitation period. The foregoing shortening does not apply to claims arising from injury to life, body or health, to claims arising from intent or gross negligence, to claims under the German Product Liability Act (ProdHaftG) or in other cases of mandatory statutory liability; in these cases the statutory limitation periods apply.

§ 17 RETENTION OF TITLE

Delivered products remain the property of Balsoft until all claims of Balsoft arising from the business relationship have been paid in full. If the value of the goods subject to retention of title exceeds the claims to be secured by more than 10 %, Balsoft shall release goods subject to retention of title to a corresponding extent at the request of the Customer.

§ 18 RIGHTS OF USE AND OWNERSHIP

Balsoft grants the Customer a simple, non-exclusive right of use of unlimited duration in all works created specifically for the Customer under the contract. This right applies to the company for which the service was rendered and to its affiliated companies within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG), to the extent that these jointly use the same system environment (in particular the same Microsoft Dynamics 365 client or tenant); use at the sites of these companies is included. Transfer to other third parties requires the prior written consent of Balsoft.

Balsoft Products as well as Balsoft's own methods, tools, frameworks and the associated source code remain the property of Balsoft; the Customer receives a simple, non-exclusive right of use in these in accordance with the respective product or licence terms. All protectable rights arising in the course of the performance of the services belong to Balsoft unless otherwise agreed in writing.

§ 19 THIRD-PARTY SOFTWARE AND MICROSOFT LICENSING TRANSACTIONS

In the distribution of Third-Party Software, Balsoft acts exclusively as an intermediary. The licence terms of the respective manufacturer take precedence; they are deemed accepted at the latest upon installation by the Customer or by Balsoft.

In Microsoft licensing transactions, the Customer obtains the relevant software or licences directly from Microsoft; the Microsoft Customer Agreement applicable from time to time applies. To the extent provided for in the respective Microsoft contract terms, Microsoft is in this respect a third-party beneficiary within the meaning of Section 328 (1) of the German Civil Code (BGB) and may enforce compliance with the licence terms directly against the Customer.

§ 20 THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS

Balsoft is not aware of any circumstances according to which the contractual use of the services rendered infringes third-party intellectual property rights. If a third party asserts claims based on intellectual property rights against the Customer on account of the contractual, unmodified use of the services, Balsoft shall, at its option, modify the services to a reasonable extent so that third-party intellectual property rights are no longer affected, or procure the necessary right of use for the Customer. In addition, Balsoft shall indemnify the Customer against justified claims for damages by the holder of the intellectual property rights that are based on an infringement of intellectual property rights for which Balsoft is responsible through the contractually used, unmodified services; the indemnity is limited in amount to the limits set out in § 14 of these GTC. In each case, this is subject to the condition that the Customer informs Balsoft without undue delay in text form of any claims asserted and, to the extent legally permissible, leaves the defence of the claims to Balsoft.

§ 21 CONFIDENTIALITY AND DATA PROTECTION

Both parties shall treat all confidential information of the other party as confidential. Working materials prepared by Balsoft, such as templates, drawings, presentations, offers and effort estimates ("Project Documents"), remain the property of Balsoft and may not be made accessible to third parties.

To the extent that Balsoft accesses personal data in the IT environment of the Customer in the course of support, remote maintenance or further development, or such access cannot be excluded, the parties shall conclude a data processing agreement pursuant to Art. 28 GDPR before commencing the relevant activities; Balsoft shall provide a contract template for this purpose on request. Information on the processing of personal data by Balsoft as controller is contained in the privacy policy at https://www.balsoft.de/de/legal/privacy.

§ 22 NAMING THE CUSTOMER AS A REFERENCE

Balsoft may name the Customer as a reference only with the prior consent of the Customer in text form; this applies in particular to the use of the names, logos and trademarks of the Customer and to the presentation of the services rendered for demonstration purposes. The Customer may revoke any consent given at any time with effect for the future.

§ 23 TERM AND TERMINATION

Unless otherwise agreed, contracts for ongoing services (in particular support, maintenance and application support) are concluded for an indefinite period and may be terminated by either party in text form with three months' notice to the end of a calendar quarter. The right of both parties to extraordinary termination for good cause remains unaffected.

Individual orders with a clearly defined scope of services end upon their complete performance; the statutory rights of termination remain unaffected. Services rendered up to the time a termination takes effect shall be remunerated at the agreed rates.

§ 24 NON-SOLICITATION

During the period of the cooperation and for a period of twelve months after its end, the Customer shall not actively solicit, or specifically approach for this purpose, any employees or permanently engaged freelancers of Balsoft who were involved in the performance of services for the Customer. Applications for generally advertised positions and unsolicited applications remain permissible.

§ 25 FINAL PROVISIONS

German law applies exclusively, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG). The place of performance and, if the Customer is a merchant, a legal entity under public law or a special fund under public law, the exclusive place of jurisdiction is Cologne.

The Customer may assign rights and claims arising from the contractual relationship to third parties only with the prior written consent of Balsoft; Section 354a of the German Commercial Code (HGB) remains unaffected.

Should any provision of these GTC be or become invalid, the validity of the remaining provisions remains unaffected. The parties shall replace the invalid provision with a valid one that comes as close as possible to the economic purpose pursued. Amendments and supplements to these GTC must be made in text form (Section 126b of the German Civil Code (BGB)); this also applies to any amendment of this text form requirement.

PROVIDER

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