

GENERAL TERMS AND CONDITIONS

1. Business area

These General Terms and Conditions apply to all deliveries and services performed by ADACTA d.o.o. as a contractor. The other contracting party will also acknowledge them for any future business between the two parties by signing a contract or accepting them without objections and in case no written agreement is made by accepting goods or services without objections (implementing a contract).

In the case of any discrepancy between the customer's general terms and conditions and hereof, these General Terms and Conditions shall apply unless the parties agree otherwise.

Any amendments or side agreements shall be subject to confirmation in writing and shall apply only to the underlying transaction.

If any provision hereof is invalid, this shall not affect the general legal validity hereof. In such a case the contracting parties shall enter into an agreement which will as closely as possible reflect the invalid provision.

2. Bids and entering into contracts

All contracts, orders and agreements shall be legally binding only if signed by a duly authorised representative of the contractor or a person such representative has authorised in writing and shall be binding only within the given scope. Bids are generally subject to change and are not binding to the contractor unless the bid states that it is binding.

The staff of the contractor shall not make any statements deviating herefrom unless they are authorised to do so by a duly authorised representative of the contractor.

3. Services of the contractor

The contractor performs the following services:

- Analysis of business processes
- Supply and sale of standard software
- Supply and sale of licences for proprietary software
- Implementation services (settings, importing data, installation and assistance in startup)
- Initiating and training users
- Developing programs and upgrades of standard software
- Telephone counselling
- Software maintenance (eliminating defects, upgrades and assistance)
- Other services of IT and business consulting

4. Project task

The project task as a rule forms the basis of the order and is prepared by the contractor for payment in line with the documentation obtained from the customer. The customer shall verify the accuracy and completeness of the project task and approve it. A special agreement shall be needed for requests for changes and expansion of the order which may subsequently arise. The requests for changes and expansion of the order shall extend the agreed deadlines and entitle the contractor to charge any resulting additional cost.

By signing the contract or giving the order the customer states that the project task being the subject matter of the contract has been examined and that products and services comply with the customer's requirements.

Services rendered before being specified in detail by a project task, without one or in addition to it as well as the services described as "variable" in the service description shall be charged by the hours worked.

Contrary to the binding project task any advertising material, brochures, product information and statements of the manufacturer or importer are as a rule non-binding unless confirmed in writing by the contractor.

The contractor draws attention and expressly refers to the fact that the current state of technology prevents development of software completely free of defects. As regards the developed software products the contractor warns the customer that implementation of software in accordance with user instructions in the test environment and on the recommended hardware and system software in accordance with the current good practice shall in the case of use of such software on identical hardware and the same range of data as in the test environment yield identical results.

5. Standard software

Standard software grants the customer the right to use it for their business purposes in accordance with the applicable provisions issued by the standard software producer.

The contractor undertakes that no third-party rights are in the way of transfer of the right to use to the customer for the needs of the customer's business activity.

The order for the supply of standard software shall be executed after the customer has been thoroughly informed on the functionalities of the ordered software and it shall be deemed that the customer has by ordering the standard software confirmed that they have been thoroughly informed on the range of functionalities prior to entering into the contract.

5.1 Of the International licensing agreement for Microsoft Dynamics solutions (the article applies only in the case of implementation of Microsoft Dynamics solutions and shall not apply to other projects).

The basis for using Microsoft Dynamics software solutions is the international licensing agreement concluded by the customer with the software producer, the company Microsoft.

Any different or supplementing agreements regarding the use of Microsoft Dynamics solutions between the customer and the contractor are non-existent and prohibited. Provisions of the international licensing agreement shall *mutatis mutandis* apply to all adjustments and upgrades of Microsoft Dynamics software by the contractor.

5.2. In the case of the supply of software made by other producers or if the contractor's software includes modules or operating systems of other producers, the contractor shall be held liable neither for the operation and/or defects in such equipment or modules nor for errors due to such software. Warranty conditions and the warranty of producers of such software shall apply to such equipment and the customer may file any claims only against producers of such software.

6. Project management

Project organisation in line with the size and complexity of set tasks as well as the appropriate project management are *conditio sine qua non* for the successful implementation of an IT system.

The scope and content of the contractor's services in project management shall be determined in the project documentation.

6.1 Project organisation

The contractor shall render its services in close cooperation with the customer.

The customer and the contractor shall each appoint a project manager who shall adopt decisions unanimously. If a unanimous decision cannot be reached, the matter shall be referred to the project council

comprised of a member from the management of both the contractor and the customer.

Both project managers shall jointly set the following parameters:

- Frequency, duration and participants of meetings
- Level of detail of project planning and project controlling
- Rules for preparing and approving minutes

The contracting parties undertake to, as far as they are concerned, ensure the project's continuity.

The contractor may subcontract their services. In such a case the order is generally carried out by and is generally the responsibility of the contractor.

6.2 Notices

The contracting parties shall inform each other immediately about any circumstances having a major impact on the project's progress. The above shall apply regardless of whether such circumstances are within the scope of the responsibility of the relevant contracting party, the other contracting party or a third party.

Project managers shall in such a case decide unanimously on the relevant measures to achieve the original project objective as far as possible.

6.3 Cooperation of the customer

Organisational concepts and programmes shall be developed with regard to the type and scope of the binding information, documentation and accessories fully made available by the customer to the contractor. The above shall include test data corresponding to practice as well as the possibilities for testing to be provided by the customer in sufficient scope, due time and at their expense.

The customer shall ensure that at the dates and times specified by the project managers, adequately skilled staff, equipment, premises and test data are made available at the customer's location.

The customer shall bear the cost of their participation.

The customer shall cooperate in the preparation of the functional specification.

The customer shall enable the contractor internet access to the supplied software if needed for carrying out the order.

Furthermore, the customer's staff may perform a part of the services offered by the contractor. The project managers shall decide on the implementation, any required qualifications and support, etc.

If the software and any hardware supplied by the contractor does not operate as specified in the functional specification or if the contractor fails to render the services in accordance with the functional specification, the customer shall take appropriate measures, namely specifically avoid any damage or increased damage, protect saved data, promptly check the results reported by the software and establish and describe in detail any disturbances and defects appearing in the operation of the software, hardware or services supplied by the contractor. Such data shall be collected by recording them to media readable by computers and being possible to reconstruct at a relatively small cost.

The contracting parties shall, during the contract term, neither influence the staff of the other party to discontinue their employment nor cooperate in any way with staff of the other party. The contractual penalty for breach of this obligation shall be the two-year gross income of the staff to be paid to the other party by the party influencing the work of the staff of the other party or beginning to cooperate with them in any way.

6.4 Verifying products

The contractor shall submit to the customer products for acceptance, which expressly applies to the minutes and the functional specification. Both project managers shall jointly determine the deadlines for submitting and verifying such documents. If acceptance is delayed beyond the agreed deadlines through no fault of the contractor, the contractor shall not be held liable for any damage resulting therefrom. The contractor may deem the products on which the customer made no substantiated objections within two weeks after submitting for acceptance (partly) accepted and may use them in the next steps of the project.

6.5 Testing and acceptance

Each part of the individually developed software or software upgrade shall be accepted by the customer within six weeks of delivery. Project managers shall determine the scope and schedule of (sub)acceptances. The customer shall confirm acceptance by the minutes (Report on successful testing on test data of the customer). If the six-week deadline lapses without the customer accepting the software, the supplied software shall be deemed accepted as of the last day of the scheduled period. Software shall in any case be deemed accepted when used by the customer in the production system.

The customer shall report to the contractor and document any defects, i.e. deviations from the functional specification agreed in writing, and the contractor shall use their best efforts to eliminate the defects as soon as possible. If the defects reported in writing are major defects, i.e. use in the production system cannot begin or continue, acceptance shall be repeated after the defect has been eliminated.

6.6 Development, test and production system

The contractor shall as a rule first perform the installation on a development system installed at their premises, make the necessary adjustments and prepare the equipment for installation at the customer's premises.

The production system as well as the test system for setting up, training and test cases shall be installed on a designated server at the customer's premises.

The customer shall thoroughly test the software on the test system. The testing shall use the range of data as used in production and the system shall be tested in the scope and by the method as used in production.

The customer shall as a rule perform the transfer of the software from the test environment to the production environment and in any case the customer shall make the transfer and start to use the software under their own responsibility.

In case the customer purchases hardware, operating systems, etc. from third parties, the contractor shall at the customer's request give an assessment on the adequacy in principle of such devices for the underlying objectives. The costs of testing, installation work on the customer's equipment, etc. shall be charged as incurred unless they are included in the functional specification.

In both cases the customer shall bear the cost and risk of the current operation of the equipment including the technical and organisational protection of data, protection against unauthorised access and viruses.

6.7 Remote access

A remote access system shall be set up for the purpose of enabling the contractor to provide fast support to the customer related to the warranty or other assistance. Each contracting party shall bear their respective cost (hardware and software, telephone line, etc.) The project managers shall jointly decide on the technical solution and

relevant security aspects.

The customer may restrict remote access, e.g. permit access only at certain times, days, for certain employees of the contractor or under other agreed criteria.

If the unavailability of the remote access is the responsibility of the customer and the contractor incurs damage or additional cost, such cost may be charged separately to the customer. The contractor shall not be held liable for any damage due to the unavailability of the remote access.

6.8 Submitting for maintenance and support

The start up of the production system is followed by further consulting via software maintenance and support. The project managers shall jointly specify the exact time for submitting the equipment, the start of support and implementation details.

A separate agreement on software maintenance shall be concluded with regard to software maintenance and the scope of services to be provided by the contractor.

7. Prices, taxes and duties

All prices shall be in EUR excluding VAT unless specified otherwise and shall apply only to the underlying order. The cost of the media of the software (e.g. CD), printed material for training, etc. as well as any duties related to the contract shall be charged separately.

7.1 Standard software

Prices specified in bids for modules of standard software are binding up to the date "Valid until". Any increase in prices by the software producer after such date shall be charged to the customer. The contractor shall submit the underlying documents at the customer's request (notice of the producer, applicable price lists).

7.2 Services

Prices listed in bids and price lists for services are binding to the contractor for 30 days from publication of the price list or preparation of a bid unless the price list or bid specifies otherwise. After that period the contractor may in their hourly rates take into account cost increases for work and material or any other cost and taxes. New hourly rates shall be submitted to the customer at least one month prior to their first application. It shall be deemed that the customer has accepted the increase in advance if they do not exceed 10% annually.

Services rendered by the contractor at a request from the customer exceeding the originally agreed scope of services shall be charged at the hourly rates applicable at the time of rendering the service.

Services shall be rendered in the contractor's ordinary business hours (Monday-Friday, 8 am - 4 pm). If exceptionally and upon the customer's request, services are rendered outside ordinary business hours, an additional cost shall be charged separately as specified herein and the contract.

7.3 Cost of travel and cost of work outside business hours

Cost of travel, daily allowances and accommodation costs shall be charged to the customer separately. The exact arrangement shall be specified in the contract and otherwise usual norms in line with the business practice in Croatia shall apply. Time spent traveling shall be charged at half rate.

Services requested by the customer rendered outside business hours shall be subject to the following additional costs as percentage of the agreed price of the service per hour of rendered services:

- Work at night (Monday-Friday, 6.30 pm - 6.30 am), 50%
- Work on Saturdays, 50%

- Work on Sundays, 100%
- Work on public holidays, 150%

If two items overlap, the higher rate shall apply. In the case of work at night on Sundays or public holidays the rate for work at night shall apply in addition to the respective rates for work on Sundays and public holidays.

8. Deadlines and the right to cancellation

The contractor shall use their best efforts to abide by the set implementation deadlines.

Set implementation deadlines shall apply only if the customer has fully carried out all necessary work, submitted the documentation, approved the received functional specifications and performed the duty of cooperation.

The contractor shall not be held liable for any delays in delivery or price increases resulting from incorrect, incomplete or subsequently altered data and information and documents made available by the customer. The customer shall bear any resulting additional cost.

Each contracting party may due to unforeseen and unexpected events such as force majeure, labour disputes, natural disasters and breakdowns/delays of their respective suppliers, set new deadlines.

In case the failure to meet the agreed supply deadline is the sole responsibility of the contractor, the customer may after giving a reasonable and not less than a 14-day extension of the implementation deadline cancel the underlying order by registered mail and also if the agreed service was not delivered in important parts within the extended deadline.

It shall not be possible to cancel the already performed partial supplies and services.

9. Payment:

The contractor shall charge the software licence in line with the bid and issue monthly invoices for the services. The contractor may perform partial deliveries and issue partial invoices for orders comprising several units or software modules.

Unless agreed otherwise, the invoices issued by the contractor, including value added tax and excluding any deduction or offsetting costs, shall be paid within 14 days from receiving the invoice. Partial invoices shall be subject to the same payment terms as apply to the overall order.

Abiding by the agreed payment deadlines is an essential condition for the contractor to perform deliveries and implement contracts. In the case of default on the agreed payments, the contractor may within one week after a reminder in writing halt the ongoing work and terminate the contract. The customer shall bear all related costs and lost profit.

In the case of the customer defaulting on payment, the contractual default interest shall equal the legal default interest.

If the customer fails to abide by the payment terms or if the contractor is familiar with circumstances that in their view impair the credit worthiness of the customer, the contractor may demand advance payment for scheduled deliveries.

Payment shall be made by direct remittance to the contractor. If several receivables are outstanding from the customer, the customer's payments shall be offset by the oldest receivable first. The order of offsetting shall be costs, interest and the principal of receivables.

The customer may offset liabilities to the contractor only by their recognised and legally established receivables from the contractor.

The contractor shall retain the title of ownership on goods, products and documentation intended for the customer as the user until full payment.

10. Copyright and the right to use

Unless the contract specifies otherwise, the customer shall obtain for the software a non-transferrable, non-exclusive, time unlimited and to the Republic of Croatia limited licence to use copyrighted work; and in accordance with the international licensing agreement in the case of Microsoft Dynamics software. Any use by third parties is excluded in accordance with the copyright law.

All copyrights and similar rights on the agreed supplies (software, documentation, etc.) shall belong exclusively to the contractor or providers of the licences unless such rights were expressly transferred to the customer along with the right to use. The customer shall obtain only the right to use the software, after payment of the fee in line with the contract, in an unaltered form exclusively for their own needs and purposes, only for hardware systems and within the scope corresponding to the obtained number of licences. The customer agrees that if they fail to settle their contractual obligations in spite of two reminders in writing sent by the contractor, they shall upon the contractor's request in writing discontinue the use of the unpaid software or the unpaid part of the software (developed upgrades).

The customer's participation in software development shall grant them no rights to such software.

Any violation of the copyright of the contractor or provider of the licences shall result in claims for damages where full damages are to be paid in such cases.

Marks on software media and documentation intended for the customer as the software user regarding industrial property rights or any other exclusive rights shall not be removed.

The customer may make copies for the purpose of safekeeping and data protection, subject to the condition that the software does not have an express prohibition of the licence provider or a third party and that all marks regarding copyright and disclaimers have been transferred to the copies unaltered.

11. Liability for defects

The contractor shall eliminate free of charge any defects under the scope of their responsibility, which appears within six months after the production system was put in operation.

The liability shall apply only to defects that are major and repeatable and reported within three business days after their occurrence. In the case of a justified claim, the defects shall be eliminated within an appropriate deadline whereby the customer shall enable the contractor to carry out all measures needed to establish and eliminate defects.

If the customer by mistake and without proper establishing and documenting claims the existence of deficiencies or defects and if thereby the contractor incurs an additional cost, such cost shall be charged separately.

The contractor shall render consulting, assistance, eliminating defects and disturbances within the scope of the customer's responsibility as well as any changes and upgrades subject to payment. The above shall also apply to the elimination of defects if the customer or a third party has performed changes of software, upgrades or other interventions.

The contractor shall not guarantee defects, disturbances or damage resulting from non-exclusive and incomplete implementation of the software (e.g. basic data and parameters) and from incompetent use. The liability for defects shall also exclude defects due to any changed elements of the production system, interfaces or parameters, use of

inappropriate or defective hardware, data media, etc.

Any liability for defects by the contractor shall not apply to software subsequently changed by the customer's engineers or third parties.

If the contractor supplies software by other producers their liability shall be limited to the responsibility for selecting another producer and the liability stemming from the underlying (additional) contract on the sale and supply of the software of another producer made between the customer and the contractor.

In case the subject of the order represents a change or upgrade of existing software, liability shall refer to such change or upgrade. There shall be no renewed liability for the underlying software.

The customer shall provide for the protection of software and data in relation to the installed software.

12. Data protection

The contracting parties undertake to submit to third parties during the contract term or after the expiry thereof no information regarding their contractual agreements and no internal information

or data on the other contracting party that they learn within the course of cooperation.

If a contracting party wants to publish work results, they shall obtain an approval in writing from the other contracting party for any (except reference) publication exceeding the facts on the conclusion of the contract on order and its core parameters (name and address, rough list of areas of use covered by the software, etc.).

13. Liability for damage

The contractor shall within the scope of the legislation be held liable for damage if the customer proves that the contractor caused the damage intentionally or from gross negligence. The contractor shall not be held liable for material damage caused by minor negligence. The contractor shall not be held liable for indirect damage.

The contractor shall not be held liable for loss of data. The customer shall ensure adequate data protection and backup copies.

Any claims for damages shall be submitted to the contractor within three months otherwise the customer shall have no right to execute them. It shall be deemed that claims for damages on which the customer failed to inform the contractor within three months of the date the customer became aware of them are no longer enforceable.

Maximum damages that the customer may claim from the contractor shall be limited to € 50,000.

14. Location of implementation and court jurisdiction

Courts in the Republic of Croatia with jurisdiction in Zagreb shall be competent for any disputes arising herefrom.

Unless agreed otherwise, the Croatian code of obligations regulating commercial contracts shall apply to the parties exclusively even if an order is executed abroad. The use of the United Nations Convention on the international sale of goods shall be excluded.

15. Validity

The General Terms and Conditions shall enter into force on August 1st, 2008