

**GENERAL CONDITIONS FOR SERVICES OF  
"STRONGPOINT"  
2022-06 edition**

**1. Terms and conditions used**

1.1. Capitalised terms have the following meanings unless the context gives them a different meaning:

- 1.1.1. **The contractor** is StrongPoint SIA.
- 1.1.2. **Customer** is the legal entity (business customer) referred to in Clause 2.2 of the Special Conditions.
- 1.1.3. **Parties** are the Contractor and Customer; **Party** - Contractor or Customer.
- 1.1.4. **General Terms and Conditions** are these standard terms and conditions for the provision of Services by the Contractor to the Customer.
- 1.1.5. **Special Terms and Conditions** are the terms and conditions for the provision of the Services agreed by the Customer and the Contractor in addition to/altering the General Terms.
- 1.1.6. **Annex** is a document in the prescribed form signed by both Parties (an integral part of the Contract), which specifies the particular Services to be provided by the Contractor to the Customer and/or other additional/revised provisions of the Contract (Special Conditions). The list of Annexes is set out in the Special Conditions.
- 1.1.7. **Service Result** is the tangible and/or intangible result of the Customer's activities/work (consultancy reports, System modifications, training, additional System modules or integrations, etc.).
- 1.1.8. **Fixed Result Order** - an Order for Services where both Parties agree in advance (fix) the desired result of the Services and the price is either a fixed amount or is determined by the actual time worked by the Contractor to execute the Order, based on an hourly rate for the Services agreed by the Parties.
- 1.1.9. **Time and Cost Order (T&M)** - a Service Order specifying the Services to be provided and the price of the Services shall be determined by reference to the actual time worked by the Contractor in the execution of the Order, based on the hourly rate for the Services agreed by the Parties.
- 1.1.10. **Specified Requirements** - the functional and other requirements set by the Customer for the Service Results in the case of a Fixed Result Order, which have been expressly agreed by the Parties in writing (by email).
- 1.1.11. **Contract** shall mean the General Terms and Conditions and the Special Terms and Conditions, together with all Annexes, amending and supplementing Contracts signed by the Parties.
- 1.1.12. **Software** shall mean the computer programs owned and/or used by the Customer as specified in the Annex(es),
- 1.1.13. **Hardware** shall mean the computer equipment owned and/or used by the Customer that will be used to provide the Services and/or interact with the Software and/or the results of the Services.
- 1.1.14. **Equipment** shall mean all Customer Hardware and Software serviced by the Contractor under this Contract.
- 1.1.15. **System** shall mean the Service Results, the Software and the Hardware installed in the Customer's environment, combined into a functioning whole.
- 1.1.16. **Failure** means a malfunction of the Hardware used by the Customer and serviced under this Contract, which

prevents the Customer from carrying out its direct activities.

- 1.1.17. **Error (System Failure)** - a situation where the execution of procedures using the Software produces an incorrect result and/or the operation of the Software does not conform to the operating logic or functionality agreed between the Parties.
- 1.1.18. **Critical Error** - a System Error that prevents the Customer from carrying out its activities.
- 1.1.19. **User Error** - a System Error caused by users of the Customer's System (when working with the System), or an error caused by the Customer's incorrect administration or configuration of the Software, or data entry (if not performed by the Contractor).
- 1.1.20. **Subscription Fee** shall mean a fixed monthly fee agreed by the Parties and paid by the Customer to the Contractor, for which the Contractor undertakes to provide the Services provided for in the Annexes to the Contract without additional payment, without prejudice to the terms and conditions set out in the Contract for their performance, and to provide the other services provided for in the Contract. The amount of the Subscription Fee shall be as set out in the Annexes to the Contract, separately for each type of Service.
- 1.1.21. **Services** activities of the Contractor requiring special knowledge, specified in the Order deed signed by the Parties, such as analysis, design, planning, programming, consultancy, implementation, training, and/or project management, as well as services of servicing, maintenance, support, and development of the System and/or other services specified in the Annexes signed by the Parties. This term does not include the supply of goods and/or software products, which is carried out under separate contracts.
- 1.1.22. **Hours of service** - hours are divided into Working, Non-Working and Night hours. These hours are defined in the Annexes to the Contract, separately for each type of service.
- 1.1.23. **Response Time** shall mean the period of time between the Contractor's acknowledged notification of the Customer's request and the Contractor's technician's interception of the request. The Fault may be rectified by attendance at the location of the Fault, by remote access or by telephone consultation, provided such consultation is sufficient to resolve the Fault. Errors and Critical Errors may be resolved by means of the Contractor's choice by notifying the Customer. Response times shall be calculated in Business Hours.
- 1.1.24. **Remedy Time** shall mean the maximum possible time between the request for a System failure and the resolution of the failure and the availability of the System operation. The Remedy Time is calculated in Business Hours.
- 1.1.25. **Licence** shall mean an official authorisation from the Contractor or the manufacturer, on the basis of which the Customer has acquired the right to use the software (its individual parts or individual functionalities) under certain conditions.
- 1.1.26. **Licence Maintenance Fee** shall mean the official licence upgrade fee of the software manufacturer, which enables the Customer to purchase and/or obtain a new version of the software and/or to extend the licence.

- 1.1.27. **Confidential Information** shall mean any financial, technical, operational, administrative, business, corporate, commercial or any other information and data relating to either Party, any of the Party's affiliates and/or the Parties' business relationships, which is provided to that Party or to its authorised recipients of the information, whether orally, visually, in writing (including transmission by electronic or any other means), and regardless of whether or not prior to or subsequent to the execution of this Contract. In addition, Confidential Information shall include all information, including specifications of commercial relationships and services, business information, *know how*, data, technology, inventions, designs, processes, models, research and development plans, processes and applications, source code, schematics, functionality and technical requirements for programming projects, the terms of this Contract, and any information relating to this Contract and the performance hereunder. Confidential Information shall not include such information that (i) was publicly known prior to the conclusion of this Contract; (ii) information about the Contractor's services and other commercial offers that the Contractor makes publicly available/discloses for promotional or other purposes at its sole discretion; or (iii) has come to the attention of the Party from specifically identified third parties who are not bound by any confidentiality obligation.
- 1.2. In the event of any conflict or inconsistency between the General Conditions and the Special Conditions or Annexes, the provisions of the Special Conditions or Annexes shall prevail.
- 2. Services**
- 2.1. The Contractor undertakes to provide the Services ordered by the Customer in accordance with the procedures and conditions set out in the Contract, and the Customer undertakes to pay the remuneration for the Services set out in the Special Conditions and/or the Annexes.
- 2.2. During the term of the Contract, the Customer may contact the Contractor for specific Services. The Services may be provided on the basis of (i) a Fixed Result Order; or (ii) a Time and Cost Order.
- 2.3. In the case of a request for a Fixed Result Order, the Contractor shall provide the Customer with an offer specifying: (i) the result of the Services and/or the scope of the Services; (ii) the date or schedule for the execution of the order; (iii) the price and/or hourly rate; (iv) the other essential terms of the order; and (v) the validity of the offer, or shall refuse to comply with the Customer's request giving the reasons therefor. The Contractor shall be entitled to request additional information from the Customer.
- 2.4. The scope of a Fixed Result Order may be amended in accordance with the procedure set out in [clause 2.3](#) in the General Conditions. In addition, in the course of the execution of the Fixed Result Order, in the event that new information about the Customer's needs, the Software and/or Hardware used by the Customer, which was not available to the Contractor at the time of the proposal coordination, becomes available, the Contractor may propose to the Customer to carry out any additional work which the Contractor deems to be necessary for the successful execution of the Fixed Result Order, together with a reasonable period of time for the performance of the work and the price of such additional work. The agreement of the Parties shall be in writing (including by electronic means where the content of the agreement is clearly recorded). If the Customer refuses such additional works or disagrees with the time limits proposed by the Contractor, the Contractor shall have the right to refuse to proceed with the execution of the Fixed Deliverable Order by informing the Customer by the means provided for in this Contract if the Contractor's performance of the Contract would be materially impaired without the performance of such additional works. In such a case, the Customer shall only be obliged to pay for the Fixed Result work that has already been carried out by the Contractor.
- 2.5. In the case of a request for Time and Costs, the Contractor shall provide the Customer with an offer specifying: (i) the nature of the Services; (ii) the rate for the Services; (iii) the other material terms of the order; and (iv) the duration of the offer, or refuse the Customer's request on the grounds stated. The Contractor shall be entitled to request additional information from the Customer.
- 2.6. The Customer shall confirm the offer received from the Contractor (for both Fixed Result Orders and Time and Cost Orders) by the email address specified in this Contract. The Contractor's offer, together with the Customer's confirmation of such offer, shall be deemed to be an agreed order for Services between the Parties, which shall form an integral part of the Contract.
- 2.7. The Services shall be provided during the Service Hours specified in the Annexes, unless otherwise agreed by the Parties.
- 3. Service price and payment arrangements**
- 3.1. The price of the Services shall be set out in the Annexes to the Contract. (i) In the case of a Fixed Result Order, the total (fixed) price for the agreed Service Result shall be specified or the applicable hourly rate shall be specified, and the final price of the Services shall be calculated on the basis of the actual time spent by the Contractor in providing the Service Result; and (ii) In the case of a Time and Cost Order, the standard hourly rate for the Services shall be specified, and the price of the Services shall be calculated on the basis of the actual time spent by the Contractor providing the Services.
- 3.2. The Customer shall pay for the Services provided within the time limits agreed in the Special Conditions and/or in the Annex (ordering act), and if such terms are not separately agreed upon, the Customer undertakes to pay the VAT invoices submitted by the Contractor within 14 (fourteen) calendar days from the date of issue of the VAT invoices, by transferring the money to the Contractor's specified account.
- 3.3. The Customer shall pay to the Contractor the Subscription Fee once a month for the Services, if so provided in the Annexes to the Contract.
- 3.4. The Subscription Fee shall commence from the date of signing the Contract (the Subscription Fee Start Date). If the Subscription Fee Commencement Date is not the first day of a month, the Subscription Fee for that month shall be calculated on the basis of the proportion of the number of calendar days of that (first) month from the date of signature of the Contract to the end of the month to the total number of calendar days in that month.
- 3.5. The rates for the Services set out in the Annexes to this Contract may be changed on the Contractor's initiative

- no more than once every 6 (six) months from the date of the last amendment or signing of the Contract, with the Contractor informing the Customer in writing (by e-mail) at least 30 (thirty) days before the new rates for the Services shall apply.
- 3.6. If the rates for the Services have not been changed in the current year in accordance with Clause 3.5 of the General Terms and Conditions, then once a year, at the Contractor's option, the rates for the Services shall be indexed by the percentage change in the annual Consumer Price Index (CPI) for the previous calendar year, published by the Statistical Department of the Republic of Latvia. The percentage change in the CPI shall be calculated by comparing the CPI for the month of December of the preceding year with the CPI for the month of December of the preceding year.
- 3.7. If the Customer reduces or increases the number of Equipment provided for the Service, the new Subscription Fee shall be recalculated pro rata according to the unit price of the Equipment provided for the relevant Service in the Annexes to the Service. The quantity of Equipment to be serviced may be affected by: additional purchases of the same type of Equipment, closure of outlets, reconstruction of outlets and other circumstances agreed with the Customer.
- 3.8. The VAT invoice for the current month's subscription service and/or development and for the additional works, spare parts and materials, and other additional charges agreed between the Parties (e.g. Arrival Fee, etc.) carried out during the previous month, shall be issued on the 1st - 6th calendar days of the current month and shall be submitted to the Customer by the 10th calendar day of the month.
- 3.9. VAT invoices shall be submitted to the Customer electronically, i.e. to the email address specified in the clause 2.2.6 of the Customer's Special Terms and Conditions.
- 4. Terms and conditions of service provision**
- 4.1. In providing the Services, the Contractor shall not suspend the Customer's System or otherwise disrupt the work activities of the Customer's employees without giving the Customer at least one (1) Business Day notice, unless (i) it is absolutely necessary and (ii) the circumstances make it impossible to delay such suspension/disruption. In this case, the Contractor shall inform the Customer of such suspension/disruption as soon as possible.
- 4.2. Where the Contractor determines that the fulfilment of certain requirements or instructions of the Customer jeopardises the eligibility of the Services provided, the Contractor shall immediately notify the Customer thereof. If the Customer, after being informed, instructs the Contractor to proceed with the work in accordance with the Customer's requirements or instructions, the Customer shall be deemed to have assumed all the risks associated therewith.
- 4.3. The Contractor shall keep the Customer informed of the progress of the provision of the Services upon request.
- 4.4. The Customer shall cooperate with the Contractor in the implementation of this Contract. The Customer shall be responsible for the accurate formulation of the Specified Requirements in relation to the results of the Services when the Services are provided on the basis of Fixed Result Orders. If the Contractor requests clarification of the Specified Requirements, information or a decision, the Customer shall do so no later than 2 (two) working days after receipt of the Contractor's request.
- 4.5. The Customer shall prepare its Hardware for the provision of the Services, except where such preparation of Hardware is included in the scope of the Service.
- 4.6. Within a reasonable time prior to the performance of the Services (where the Services are rendered on the Customer's premises), the Customer shall, at the Contractor's request, provide the Contractor with the plans of the premises where the Services are to be performed, the plans of the electrical and telecommunications installations, the fire safety and occupational safety regulations or other similar regulations in force at the place of performance of the Services, and create the technical, safety and organisational conditions favourable to the execution of the Works.
- 4.7. If the Contractor is unable to commence or, once commenced, is unable to continue the provision of the Services due to the non-performance of certain works or the non-removal of certain impediments and the performance of such works/removal of such impediments is not included within the scope of the Services, the Customer shall, as soon as possible, and in any event not later than two (2) Business Days thereafter, upon receipt of the Contractor's notice to that effect, to the Contractor shall ensure the execution of such works or the removal of the impediments or, if the Contractor agrees, the Contractor may, at the Customer's request, carry out the additional works itself and the Customer shall pay the Contractor for such additional works at the Contractor's hourly rate or such other rate as may be agreed between the Parties in advance.
- 4.8. The Customer shall ensure that its employees participate in the training and other activities of the Services organised by the Contractor. The training shall be conducted at a mutually convenient and agreed time.
- 4.9. The Customer shall use the Software lawfully, in accordance with its normal purpose, in accordance with the Contractor's recommendations for the operation of the System and without infringing the intellectual property rights of the Contractor and third parties.
- 4.10. During the provision of the Services, the Customer shall perform backup data copying on a regular basis, but at least once a day (unless such work is not included in the scope of the Services).
- 4.11. The Customer may only change the environment in which the Software and/or Service Results are installed for the provision of the Services after having agreed such change with the Contractor in writing in advance (including by electronic means where the content of the consent is clearly recorded). If the change in the environment affects the scope and/or timing of the Work, the coordination procedures set out in Clause 2.2 of the General Conditions shall apply. If the Customer changes the environment without coordination with the Contractor, the Contractor shall not be liable for the proper functioning of the Software and/or Service Results in such changed environment, and any resulting Errors and other defects shall be remedied by the Contractor at the Customer's expense, in accordance with the standard Contractor's fees set out in the Annexes to the Contract.

- 4.12. The Contractor shall have the right to use subcontractors for the provision of the Services at its discretion. The scope of the work entrusted to subcontractors shall be determined by the Contractor. The Contractor shall be liable to the Customer for the non-performance or improper performance of the obligations of subcontractors.
- 4.13. The Contractor undertakes to respond promptly to each report of a malfunction of the Equipment within the Response Time and to comply with the time limits for restoration of the Equipment to working order specified in the Annexes to the Contract.
- 4.14. All maintenance work and materials used by the Contractor shall be recorded in an electronic work record document. The electronic deed for work carried out signed by the Contractor and the Customer shall be the basis for the VAT invoice for the parts and/or materials used.
- 4.15. The Contractor shall, at the Customer's request, return defective or inadequate parts of the Equipment, materials, equipment, in place of which the Contractor has used new parts in the performance of the Services, the cost of which is stated in the invoices submitted to the Customer for the provision of the Services.
- 4.16. The Contractor shall have the right to access the Customer's Equipment by means of remote communication only for the purpose of troubleshooting, preventive maintenance or preparation of the Equipment for maintenance.
- 5. Obligations of the Customer**
- 5.1. The Customer undertakes to comply with the instructions, recommendations and operating conditions provided by the System manufacturers and the Contractor.
- 5.2. The Customer undertakes to allow only personnel familiar with the System to work with the System.
- 5.3. The Customer undertakes to appoint a responsible person who can provide the Contractor's specialists with the most accurate information about the System's malfunctions and errors.
- 5.4. The Customer undertakes not to destroy the Technical Equipment and not to break the seals affixed by the Contractor or the Public Authorities.
- 5.5. In the event of a failure of the Hardware, the Customer undertakes to inform the Contractor immediately and not to repair any failure of the Hardware on its own.
- 5.6. In the event of failure of the Hardware, the Customer undertakes to provide and maintain the quantity of replacement equipment necessary to ensure the agreed restoration of the Hardware, which the Contractor shall install in place of the failed Hardware. The quantities of replacement equipment and the administration and accounting procedures shall be agreed separately between the Parties.
- 5.7. The Customer shall ensure that a responsible person is present during the execution of the works on the Customer's premises,
- 5.8. The execution of the works by remote connection, the time taken by the Contractor for the execution of the works, the urgency of the call, shall be confirmed by the Customer's responsible person by e-mail or by any other means agreed between the Parties. The Contractor shall inform the Customer of the duration of the remotely accessed Works by e-mail or by other means agreed by the Parties in accordance with Clause 5.2 of the Special Conditions.
- 5.9. The Customer undertakes to inform the Contractor in writing at least 2 (two) working days in advance of any replacement work to be carried out by the Contractor itself or by third parties on the System, unless such work is urgent and could not have been planned in advance, in which case the Contractor shall be informed within 2 (two) working days of the commencement of such work. The Customer shall also inform the Contractor of the completion of the works provided for in this clause.
- 5.10. In cases where the Customer has the right and intends to modify the System (insofar as this does not infringe the Licences granted), the Customer must give the Contractor prior notice of its intention to do so at the email address specified in clause 2.1.6 of Special Conditions and wait until the Contractor gives consent. Otherwise, the Contractor shall treat the Errors resulting from such modifications as User Errors and they shall be corrected, at the Customer's request, in accordance with the rates set out in the Annexes to the Contract, and the Contractor shall be entitled to adjust the timing of the work to be performed at that time, if necessary, in connection with such Errors.
- 5.11. During the term of the Contract and for a period of 2 (two) years thereafter, the Customer undertakes not to directly or indirectly request, encourage or induce the Contractor's employees to terminate their employment or other contractual relationship with their current employer. The Customer undertakes not to enter into any employment, authoring or service contracts with the Contractor's employees, nor to assist any third party to enter into similar contracts with the Contractor's employees. Breach of this contractual obligation would constitute unfair practices and/or unfair competition, which would result in losses for the Contractor. In the event of a breach of this contractual obligation, the Customer shall be liable to compensate the Contractor for any loss suffered by the Contractor as a result.
- 5.12. During the provision of the Services, the Customer hereby undertakes an obligation to cooperate with the Contractor, respond promptly to the Contractor's notifications and recommendations, ensure a suitable environment for the provision of the Services, immediately eliminate all obstacles preventing the Contractor from providing the Services in a timely and high-quality manner, and provide the Contractor with all the information necessary for proper provision of the Services.
- 6. Making enquiries**
- 6.1. The Contractor shall provide advice on the use of the System and record reports of System malfunctions at the telephone numbers and by e-mail specified in the relevant Annexes.
- 6.2. If the Contractor's consultant is unable to respond immediately to a telephone enquiry, the Contractor shall agree with the Customer the time and manner of responding, either by telephone or by email. If a critical error is reported, the Contractor shall, to the extent possible, address it immediately.
- 6.3. At the Customer's request, the Contractor undertakes to provide advice by remote means if the Customer has provided the Contractor with the possibility to access the Customer's System and data by means of hardware and software.
- 6.4. The Contractor undertakes to register all enquiries made by the Customer regarding the System during business hours. The Customer shall specify in its

- notification and the Contractor shall record the following information: (i) the name and address of the Service or the System; (ii) in the case of Failure, specify the date and time; (iii) the name of the person who made the notification; (iv) the contact telephone number. Only after this information has been provided shall the request be deemed to have been registered and the Contractor shall acknowledge receipt of the notification by telephone and/or e-mail. The Response Time shall be calculated from this point.
- 6.5. The Customer must describe the need as precisely as possible in the notification (for a change in the functionality of the System, for consultancy or training). In the case of a request for a System failure, the circumstances in which the failure occurred must be specified. The Customer must also inform the Contractor whether the Customer or third parties have attempted to resolve the fault prior to the call.
- 6.6. Should the Customer wish to receive the Contractor's Services within shorter time limits than those set out in the Annexes describing the Services, this shall be agreed on a case-by-case basis. The Contractor shall have no obligation to acknowledge notice and provide the Services outside working or during night time hours.
- 6.7. The Contractor shall have the right to troubleshoot the fault by telephone consultation or remote login. In cases where it is not possible to troubleshoot by telephone or remote consultation or to arrange a visit to the Customer, the Contractor's technician shall travel to the place of supply of the Service to troubleshoot the fault. In such case, the Response Time shall be the time between the receipt of the Contractor's acknowledgement of the malfunction and the arrival at the Service Delivery Location.
- 7. Acceptance and transfer of services**
- 7.1. The interim results of the Services under a Fixed Result Order shall be accepted no later than 3 (three) Business Days after the Contractor informs the Customer that a particular stage or individual work has been completed (if the Fixed Result Order is executed and delivered to the Customer in stages). After the completion of the entire Fixed Result Order or the last stage of the Services (unless otherwise specified in the Annexes to the Contract), the Customer shall be given a period of (5 five) working days or such other period as may be specified in the Special Conditions for testing the results of the Services and for assessing the conformity of the results of the Services with the Specified Requirements and the question of acceptance thereof.
- 7.2. The Customer shall have the right to refuse to accept the results of the Services only if, at the time of acceptance, it is established that the results of the Services have been subject to Errors due to the fault of the Contractor, which do not comply with the Specified Requirements, or if it is stated that at least one of the works agreed within the Scope of the Service has not been performed, and that, as a result of this failure, the results of the Services may not be used for the purpose intended, and that there is no temporary alternative to solve the problem of the User. Such Errors shall be agreed by both Parties and the Contractor shall remedy them within a reasonable time. Once the Errors have been corrected, the procedure for acceptance-transfer of the Service Results as set out in Clause 7.1 of the General Conditions shall be repeated.
- 7.3. Other errors and deficiencies caused by the Contractor which prevent the Services from being used for their intended purpose shall be remedied within a reasonable time. Errors and defects not attributable to the Contractor shall be remedied at the expense of the Customer, at the Contractor's standard rates set out in the Annexes to the Contract for the relevant Service.
- 7.4. The Customer shall duly notify the Contractor of its refusal to accept the results of the Services no later than 3 (three) days after the expiry of the specified period for testing the results of the Services, stating the reasons for such refusal. If the Customer evades or refuses to accept the Services without providing a reasoned refusal, the Services shall be deemed to have been duly delivered to the Customer.
- 7.5. The Customer shall not be entitled to use the results of the Services for its own business purposes until the Services have been accepted. If the Customer uses the unaccepted results of the Services for business purposes, the Customer shall be deemed to have accepted such Services as suitable.
- 7.6. After the transfer of the results of the Services to the Customer, the risk of accidental destruction or damage to the relevant results of the Services shall pass to the Customer. The Customer shall not be entitled to make any claims regarding the quality of the results of the Services after the signing of the Acceptance and Transfer Act.
- 7.7. In the case of a Time and Cost Order, the Services shall be deemed to have been accepted by the Customer when the Customer pays the Contractor for the Services in accordance with the invoices submitted by the Contractor. Once the Services have been accepted, the Customer shall not be entitled to make any claims regarding the quality of the Services.
- 8. Service quality and guarantee**
- 8.1. For Service Results where the Services are provided on the basis of Fixed Result Orders, the Contractor shall provide a guarantee for the duration and scope specified in the Annexes to the Contract for the relevant Service. Unless the warranty is specifically provided for in an Annex, the warranty shall be for a period of 2 (two) months during which the Contractor shall remedy, at its own expense, any Errors discovered after acceptance or arising during acceptance. Errors, defects or failures may be rectified either by the Contractor or by third parties appointed by the Contractor and agreed by the Contractor. The warranty period shall commence from the moment of delivery of the results of the Services to the Customer, i.e. from the beginning of the testing period for the results of the Services.
- 8.2. The warranty does not cover Errors and/or other defects caused by: (i) defects in the Customer's Software or Hardware (ii) incompatibility or incompatibility of the Customer's hardware-software with the Software and the Contractor was not aware of such incompatibility and was not able to be aware of such incompatibility (except where the Service provides that the Contractor is responsible for ensuring that the Software is properly interoperable with the Customer's other computer programs and Hardware); or (iii) the exact fulfilment of the Customer's requirements after the Customer has been advised of the possibility of the deficiencies; or (iv) where such deficiencies are due to the fault of the Customer or its employees, or to the actions of third parties or to force majeure; (vi) changes made by the

- Customer to the environment of the Software; or (vii) any other factors beyond the control of the Contractor which were not known and not reasonably foreseeable by the Contractor and which have not been notified to the Contractor by the Customer.
- 8.3. During the warranty period, the Contractor shall undertake to rectify the Error within a reasonable period of time from the date of notification of the Error, unless the Parties have expressly agreed on a specific response time.
- 9. Representations and warranties of the Parties**
- 9.1. The Customer represents and warrants that all software and hardware provided by the Contractor is lawfully used by the Customer.
- 9.2. The Contractor represents and warrants that all hardware, software and materials used for the maintenance and/or development of the Customer's Equipment in accordance with the terms of this Contract are lawfully owned and/or used by the Contractor.
- 9.3. The Contractor warrants that the professionals performing the maintenance and/or development of the Customer's Equipment are suitably qualified and certified to provide the Services under this Contract.
- 9.4. The Contractor warrants that it will perform its contractual obligations in good faith and that it will endeavour to rectify Failures in the Equipment within a minimum (reasonable) time. In the event of Equipment Failures, parts of the Equipment shall only be replaced if they are impossible to repair or if the cost of repair would exceed the price of a new part.
- 10. Responsibility**
- 10.1. If the Contractor is at fault in missing the deadline for completion of the Fixed Result Order, the Contractor shall, upon written request of the Customer, pay the Customer a default interest of 0.02 (two hundredths) per cent per day for each day of delay calculating on the price of the work of the respective stage not completed on time, but not more than 30% of the price of the specific Order.
- 10.2. The Contractor undertakes to indemnify the Customer against direct damages resulting from the non-performance or inadequate performance of this Contract due to the fault of the Contractor, except for damages resulting from the loss of data or loss of computer programs. In any event, the Contractor's liability under this Contract shall not exceed the remuneration it has received from the Customer for those Services (phases) which have already been performed before the moment of the occurrence of such damages (the maximum liability limit).
- 10.3. If the Customer fails to fulfil its obligations under the Contract in due time and this delays the due date for the Fixed Result Order by more than one (1) month, the Customer shall, at the Contractor's request, pay to the Contractor the relevant part of the Order Price, in proportion to the part of the Order that has been fulfilled up to that time.
- 10.4. The Parties undertake to refrain from any action that could be prejudicial to the other Party, including the use of Confidential Information held for purposes other than the performance of their official functions, and the conduct of any commercial or other activity using Confidential Information of the other Party without the latter Party's written consent.
- 10.5. If the Customer is in default in payment for the Services, the Customer shall, at the Contractor's request, pay 0.02 (two hundredths) of percent of the unpaid amount for each day of delay.
- 10.6. If the Contractor fails to comply with the obligations assumed in Clause 4.13 of the General Terms and Conditions, he shall, at the Customer's request, pay a compensation of EUR 35 (thirty-five euros) excluding VAT for each day of delay (unless otherwise specified in the Annexes to the Contract). The Contractor shall be obliged to pay this compensation if the Contractor's monthly obligations are fulfilled at a level of less than 95% (ninety-five) percent, and the total amount of the compensation shall not exceed the amount of Subscription Fee for one month.
- 10.7. The costs of recovering the arrears incurred shall be borne by the debtor. The Parties shall have the right to use third parties for the recovery of the debt, the costs of which shall also be borne by the Party at fault.
- 11. Appointment of persons responsible for the performance of the Contract**
- 11.1. The Customer and the Contractor shall appoint the persons responsible for the performance of this Contract, who shall be specified in the Special Conditions and/or the Annexes to the Contract. The representatives designated by the Parties shall be authorised to take decisions on behalf of the Parties in relation to the implementation, amendment and/or supplementation of this Contract.
- 11.2. If the Contractor or the Customer replaces its representative or the Contractor's representative or the Customer's representative is unable to perform his/her duties, the Contractor or the Customer, as the case may be, shall promptly and duly inform the other Party of the replacement of its representative.
- 12. Force Majeure**
- 12.1. Neither Party shall be liable for the total or partial non-performance of its obligations if it proves that the non-performance is due to circumstances beyond its reasonable control and foreseeable at the time of conclusion of the Contract and that it could not have prevented the occurrence of such circumstances or their consequences by reasonable efforts (*Force Majeure*).
- 12.2. Force majeure circumstances shall be deemed to be the circumstances specified in the Rules on Exemption from Liability in the Event of Force Majeure, approved by the Government of the Republic of Latvia by its 1773-1774 articles of the Civil Law from 1937 year. For the purposes of this Contract, force majeure shall also include restrictions imposed by the Republic of Latvia or other foreign states on the import/export of information technology, computer hardware, software and similar Equipment, which make it impossible for the Contractor to fulfil its obligations under this Contract.
- 13. Confidentiality**
- 13.1. The Parties undertake not to disseminate or disclose Confidential Information. The Party in breach of this obligation shall be liable to compensate the other Party for damages suffered by the other Party as a result of such breach, which in each case of disclosure of the Confidential Information shall amount to at least EUR 10 000 (ten thousand) (minimum damages). A breach of this obligation of confidentiality shall not be deemed to include disclosure of such information to public authorities where required by law, to the Parties' lawyers, or to auditors who are *ex officio* bound by confidentiality obligations.

#### 14. Intellectual property

- 14.1. If copyright objects (results of the Services) are created during the performance of the Contract, the Contractor shall grant to the Customer a non-exclusive, perpetual licence to use the results created by the Contractor in the course of providing the Services in the unlimited territory, which are objects of intellectual property (computer programs or their components, etc.), if any, and subsequent modifications thereof, insofar as this is necessary for the Customer to be able to use the results of the Services transferred to it lawfully.
- 14.2. The Customer shall not be entitled to sell, lease, transfer or otherwise make available or have access to the Contractor's computer programs to third parties, to use the Contractor's computer programs for the development or distribution of new programs, or to make any changes or modifications to the Contractor's computer programs, either by itself or through third parties.

#### 15. Personal data

- 15.1. All personal data received from the Customer shall be used by the Contractor solely for the purposes of the performance of this Contract, i.e. only to ensure the proper provision of the Services to the Customer. All personal data received from the Customer shall be processed by the Contractor in accordance with the Contractor's approved Data Processing Policy, which is available at [www.strongpoint.com/lt](http://www.strongpoint.com/lt).
- 15.2. The Contractor shall have the right, without the Customer's prior consent, but with the Customer's prior notice, to transfer personal data owned by the Customer and other information relating to this Contract to an insurance company for the purposes of administering insurance events/insurance relationships and to third parties providing debt administration/recovery services for the purposes of debt administration.
- 15.3. If, in the course of providing the Services under this Contract, the Contractor collects, stores, uses or otherwise processes personal data on behalf of, for the benefit of and under the instructions of the Customer, *inter alia*, the Parties shall enter into a separate Contract for the processing of personal data.

#### 16. Validity and termination

- 16.1. The Special Conditions and the Annexes, together with the General Terms and Conditions, as agreed by the Parties, shall constitute a binding Contract between the Parties. The Contract concluded by the Parties shall be valid until the term specified in [clause 4.1](#) of the Special Conditions or, if no term is specified, indefinitely.
- 16.2. The Contractor may unilaterally suspend the performance of the contractual obligations by giving the Customer five (5) days' notice in writing (by e-mail) if the Customer fails to comply with the obligations assumed in paragraph 3 of the General Terms and Conditions.
- 16.3. The contract may be terminated:
- 16.3.1. With an agreement duly executed by the Parties, in which the Parties must agree on the payment for the Services or part thereof and all other matters relating to the termination of the Contract, including the legal consequences of the termination;
- 16.3.2. unilaterally, without applying to the courts, at the initiative of either Party, without assigning any reason and with due notice to the other Party at least sixty (60) calendar days prior to the termination;
- 16.3.3. unilaterally, without applying to the courts, by giving the other Party due notice at least 30 (thirty) calendar

- days before termination of the Contract, where the other Party fails to perform, or improperly performs, its contractual obligations and fails to remedy the breach within the period of notice. In such a case, the Contract shall be deemed to be automatically terminated upon the expiry of the time limit for remedying the breach specified in the breach notice;
- 16.3.4. unilaterally, without applying to the courts, and with immediate due notice to the other Party, in the event of the other Party's bankruptcy or out-of-court insolvency proceedings, the Party is under liquidation, restructuring, cessation of business activities or any other similar situation. The Contractor shall also have the right to terminate the Contract in accordance with the procedure set out in this clause if the Customer loses the Licence, breaches the terms of the Licence, or on any other grounds set out in the Contract.
- 16.4. Upon termination of the Contract, the Customer shall pay the Contractor for the Services actually provided up to the date of termination, including all Services provided under Time and Cost Orders and/or pay a proportionate share of the price for Services provided under Fixed Result Orders.
- 16.5. If the termination of the Contract is due to causes for which the other Party is responsible, the latter shall be liable to compensate the suffered Party for the direct loss suffered by it as a result of the termination. Unless the Parties agree otherwise, the Party at fault shall be liable to pay compensation equal to 10% of the price of the Contract, which shall be deemed to be the minimum direct damage suffered by the Party. If the 10% compensation does not cover the direct loss of the suffered Party, the guilty Party shall be additionally liable to pay the difference between the total amount of the direct loss and the 10% compensation paid.
17. **Notices and other conditions**
- 17.1. All correspondence relating to this Contract, including notices and VAT invoices, shall be sent to the Customer in electronic form only, i.e. to one or more of the e-mail addresses specified in [clauses 2.2.6 and 5.2 of the Special Conditions](#) or the relevant Annexes.
- 17.2. The Contract shall be concluded by the Parties signing the Special Conditions and the Annexes. Any amendments and additions to the Contract shall only be valid if they are in writing (including by email) and signed by both Parties. Signature by electronic signature and/or exchange of signed scanned copies of documents by e-mail shall be deemed to be a proper signature. All Annexes to this Contract shall form an integral part thereof.
- 17.3. The Contractor shall have the right to transfer all or part of its rights and obligations under this Contract to an affiliate (as such term is understood under the Law on Joint Stock Companies of the Republic of Latvia and Republic of Lithuania) at any time at its sole discretion without the separate consent of the Customer. If the Customer fails to pay the Contractor for the Services received within the terms set out in this Contract, the Contractor shall have the right to (i) at its discretion, dispose of the Customer's debt as an asset, including the assignment of such debt (right of recourse) as a consideration to third parties; (ii) at its discretion, to sell or otherwise assign the Customer's debt to a third party engaged in the business of debt collection.
- 17.4. The contract is governed by the law of the Republic of

Latvia. All disputes arising out of this Contract shall be settled in the courts of the Republic of Latvia according to the place of the registered office of the Contractor.

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