AUXCODE
STANDARD TERMS OF TRADE

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Article 1.   **Rules of Construction**

1.1   These rules of construction are applicable to these standard terms of trade (hereinafter referred to as the "**STT**"), as well as to each contract executed after 1 June 2024 (hereinafter referred to as an "**Agreement**") for the delivery of services ("**Services**") by an AuxCode Ltd. (the "**Supplier**") to a client (the "**Client**").

1.2   In the event of an inconsistency between the STT and an Agreement, the terms and conditions of the Agreement prevail.

1.3   Capitalized words not defined in an Agreement have the meaning given to them in the STT.

1.4   Words denoting the singular only shall also include the plural, as well as the other way around.

1.5   Words denoting the masculine gender only shall also include the feminine and neuter genders.

1.6   The index and any headings or sub-headings are inserted for convenience only and shall be ignored in construing the STT and an Agreement and any of its annexes, schedules or attachments.

1.7   The word "variation" shall include any amendment, supplement, extension, deletion, replacement, novation, substitution, re-enactment or other modification however fundamental and however effected.

1.8   The words "clauses", "sub-clauses", "paragraphs", "schedules", "annexes" and "exhibits" shall be construed as references to clauses, sub-clauses, paragraphs of, and schedules, annexes and exhibits of these STT or, as the context requires, of an Agreement and any of its annexes, schedules or attachments containing such reference.

1.9   Any signatory party to an Agreement and any of its annexes, schedules, or attachments (a "**Party**") shall be construed so as to include its successors in title and any person is assigned or who assumes the role, rights or obligations of such Party and any of its annexes, schedules or attachments, whether by a transfer, replacement or any other means of conveyance permitted by the Agreement and any of its annexes, schedules or attachments.

1.10   An Agreement and any of its annexes, schedules or attachments or any other document includes references to that Agreement and any of its annexes, schedules or attachments or other document as varied, novated, re-enacted, supplemented, restated and/or replaced in any manner from time to time and/or any document which varies, novates, re-enacts, supplements, restates and/or replaces it.

1.11   The term "including" or "includes" and "in particular" shall not be construed restrictively but shall be construed as meaning "including, without limitation or prejudice to the generality of the foregoing" and "in particular, without limitation or prejudice to the generality of the foregoing".

1.12   Consents, waivers or approvals required from a Party under an Agreement and/or in relation to an Agreement, plus any of their respective annexes, schedules or attachments, are validly executed, delivered and in force and effect when executed in electronic form, and are only permitted to be delivered in hardcopy and executed in hardcopy writing when this is previously and explicitly agreed by all Parties to that Agreement.

1.13   The term "written" or any reference to a document, whether a bilateral contract, unilateral notification or any other form of communication in writing, shall equally mean a communication in electronic form, and both forms shall be equally legal, valid, binding and enforceable, subject to the limitations provided for in the jurisdiction of incorporation of the Client.

1.14   The term "Party" refers to both the Client and the Supplier, and both are jointly referred to as the " Parties .

Article 2.   Services

2.1   An Agreement is a valid, legal, binding and enforceable contract for the provision by the Supplier to the Client of a defined enumeration services, which may include, without limitation, one or more of the following categories: software design, software development, software testing, software maintenance, network services, hosting services, software testing automation, artificial intelligence-assisted data services, AI conversation design, cybersecurity services, each of which is referred to as a "**Service**", and collectively as "**Services**".

2.2   The terms and conditions of an Agreement govern the delivery of the Services by the Supplier to the Client, but excludes specifically the provision of Services to the Client in relation to resolving incidents affecting the normal performance of the Client's information technology (support) infrastructure resulting from:

2.2.1   the Client's use of equipment, software or service(s) that have not been provided or previously vetted by the Supplier.

2.2.2   the Client's implementation of changes to the set-up or configuration of equipment, software or Services provided by the Supplier.

2.2.3   the Client having prevented the Supplier from performing the scheduled and/or required Services and/or or not having implemented such of the Supplier's software versions, upgrades and/or patches as provided by the Supplier.

2.3   An Agreement does not apply in circumstances of force majeure, being conditions in which the Supplier is prevented from performing a Service, in whole or in part, as a result of causes beyond its reasonable control, and without its fault or negligence, including, extreme weather phenomena including lightning strikes, earthquakes and floods, strikes, lockouts, riots and other manifestations of civil unrest, acts of terrorism or war, epidemics, communication line failures, disruptions of critical civil infrastructure, including water, power and/or gas supply failures affecting the Supplier's primary site of operations and/or back-up facilities, and acts of God.

2.4   An Agreement suspends the obligation of the Supplier to deliver the Services to the Client in the event the Client does not settle the invoices issued to it by the Supplier in cash and in full on or before the due date of each such invoice.

Article 3.   Performance

3.1   The Parties agree to take all necessary measures to ensure that:

3.1.1   the terms of an Agreement are valid, legal, binding, and enforceable against the other Party; and,

3.1.2   the Services are correctly specified by the Client and promptly carried out by the Supplier to the best of their respective abilities.

3.2   To that end, the Client will supervise the daily performance of the Supplier. Any concerns regarding quality or productivity must be communicated by the Client to the Supplier by the end of the next business day, failing which:

3.2.1   the hours worked and logged by the Supplier will, in the absence of manifest error, be deemed to have been accepted for payment by the Client; or, as the Agreement may specify,

3.2.2   the day's pro rata parte of the agreed monthly Services fees shall be deemed to have been accepted for payment by the Client.

Article 4. Intellectual Property

4.1 Intellectual property rights ("**IP Rights**") means any and all intellectual and/or industrial property rights, title and interest in, including:

4.1.1 copyrights, including moral rights, registrations, and applications for the registration thereof.

4.1.2 computer software programs, data, databases, and the documentation thereof.

4.1.3 patents, patent applications and all related continuations, divisional, reissue, design patents, applications, and registrations thereof, certificates of inventions; and

4.1.4 registered trademarks, trademark applications, and registered domain names.

4.2 The Supplier owns outright the IP Rights, meaning all rights, titles, and interests, including intellectual and industrial property rights, and particularly all copyrights and trademark rights, in and to the Service provided and delivered by the Supplier to the Client under an Agreement.

4.3 These IP Rights are assigned and transferred to the Client from the moment the Client has fully settled the commercial invoices issued by the Supplier for the creation of those IP Rights. Until that moment, these IP Rights, whether or not delivered to the Client, and whether or not invoiced to the Client, remain in the sole ownership of the Supplier, which retains all rights title and interests these IP Rights.

4.4 At the time of the assignment and transfer of IP Rights under an Agreement to a Client, the Client grants the Supplier an exclusive, transferrable, royalty-free and perpetual license to the assigned and transferred IP Rights, permitting the Supplier to use these IP Rights, in conformity with the confidentiality undertaking in these STT and fully anonymized to protect the Client, for the purpose of the continued development of those IP Rights.

Article 5. Invoicing

5.1 The Supplier will invoice the Client on a monthly basis in arrears. Payment on invoices submitted by the Supplier to the Client are due ("**Due Date**") in full within fourteen (14) calendar days from the date on which the invoice was created, as shown on the invoice (the "**Invoice Date**").

5.2 If the Client fails to make full payment on any invoice on its Due Date, the Supplier shall be entitled to claim late payment interest on any Past Due amounts at the rate of 0.05% per day or the maximum amount allowed by law, whichever is the lesser, from the date on which the payment was due until the date on which it is paid in-full, including accrued interest. Time is of the essence for all payments under this Agreement and in the event any payment due to the Supplier is collected judicially or with the services of a bailiff or collection agency, the Client agrees to pay all costs of collection, including, without limitation, the cost of bailiffs, all court costs, and reasonable attorney's fees.

Article 6. Reimbursement of Expenses

6.1 The Supplier will be reimbursed from time to time for reasonable and necessary expenses incurred by the Supplier in connection with providing the Services, including, but not limited to, business travel expenses. All such expenses must be pre-approved by the Client in writing.

Article 7. Personal Data Obligations

7.1 In performing the Services defined in an Agreement, the Supplier will comply with European Union's General Data Protection Regulation ("**GDPR**") in relation to all the Client's data and the personal data, if any, of Client staff the Supplier receives from the Client.

7.2 The Supplier may provide the Services from host locations. The Supplier hereby represents and confirms that the stipulations of the GDPR are and remain in full force and applicable to said data, meaning that, in relation to the protection of the Client's data and the personal data, if any, of the Client's staff, the Supplier ensures GDPR-consistent levels of protection, irrespective of the jurisdiction of the host location from which the Services are provided.

Article 8.   Confidentiality

8.1 Confidential information (the "**Confidential Information**") refers to any data or information relating to the business of the Client, which could reasonably be considered proprietary, commercially sensitive or confidential to the Client or any of its Customers, including, but not limited to, accounting records, business processes, and client records (including personal data from the Client and Customers), and specific data or know-how that is not public or generally known and where the release of that Confidential Information could reasonably be expected to cause harm or disadvantage to the Client, provided the Confidential Information was not previously and legitimately obtained by the Supplier from public sources or from sources in possession of the Confidential Information which themselves were not under obligation of confidentiality.

8.2 The Parties agree that they will not disclose, divulge, reveal, report or use, for any purpose, any Confidential Information which a Party has obtained except as authorized by the other Party in writing or as obliged by the law governing this Agreement. The Supplier confirms that its internal confidentiality policy complies with the relevant obligations and rules set out in the pertinent EU GDPR regulations (DSGVO rules).

8.3 The obligations of mutual confidentiality resting upon the Parties apply during the validity of an Agreement and will survive for a period of two (2) calendar years upon termination or expiry of that Agreement.

Article 9.   Warranties

9.1 The Supplier warrants that:

9.1.1   During the validity of an Agreement the Services provided by the Supplier to the Client will substantially conform to the specifications and the service level agreements ("**SLAs**"), if any, as defined in that Agreement.

9.1.2   It will provide the Services through personnel that has the necessary skills, training, and experience to perform such Services.

9.1.3   The Services delivered under an Agreement are not in violation of any other agreement that the Supplier has with a third party.

9.1.4   The Services do not violate the Intellectual Property Rights of any third party.

9.1.5 For a period of 30 (thirty) days the software developed and delivered by the Supplier to the Client shall function in accordance with the specifications approved by the Client. If the software malfunctions or in any way does not operate according to the approved specifications within that period of time, the Client's exclusive remedy is the redevelopment of the software within a commercially viable period of time, during which the Supplier shall take the reasonably necessary steps to correct the malfunction and ensure the software operates in accordance with its approved specifications.

9.2 A breach of this warranty triggers:

9.2.1 the Supplier's obligation to advise the Client of the breach in a timely, complete, and transparent manner; and,

9.2.2 the Client's right, in the event the breach is not remedied within a period of thirty (30) business days, to:

9.2.2.1 monetary reparations from the Supplier to the extent that a court of competent jurisdiction adjudges in final instance that the Client suffered incremental cost or losses due to the Supplier's failure to comply with this warranty up to the limit of liability coverage specified in the Supplier's relevant insurance policies, if any, and otherwise as stated in clause 10.5 below; and,

9.2.2.2 termination of the Agreement for cause.

Article 10. Limitation of Liability

10.1 Neither the Supplier, nor any of its licensors or subcontractors or other third-party service providers, warrant or guarantee that the Service will be uninterrupted, virus-free or error-free, nor shall the Supplier or any of its subcontractors or third-party service providers be liable for unauthorized alteration, theft or destruction of the Client's data files or programs.

10.2 Services furnished under an Agreement are provided without representations or warranties from the Supplier and, to the fullest extent permitted by law, the Supplier disclaims all representations and warranties, express, implied, or statutory other than the representations and warranties expressly given by the Supplier in these STT and in the relevant Agreement.

10.3 The Supplier shall not be responsible to the Client for loss of performance of the Client's digital operating infrastructure (the "**IT System**") other than a loss arising from the installation and configuration of (parts of) that IT System provided by the Supplier, nor for liabilities arising from alterations, additions, adjustments, service, repairs, or maintenance which have been made to the Client's IT System other than by the Supplier or a third-party service provider acting on the Supplier's behalf and in conformity with the Supplier's express instructions.

10.4 Except as provided by applicable law, the Supplier shall have no liability for defects in the Supplier's Services attributable to the Supplier's reasonable reliance upon or use of information furnished by the Client.

10.5 <u>Limitation of Amount of Liability.</u> The total liability of the Supplier - whether in contract, tort (including negligence), breach of statutory duty or otherwise – for any and all breaches and/or non-performance of its obligations under an Agreement shall be, to the fullest extent permitted by law (or the relevant regulatory authority) limited to the fees paid by the Client to the Supplier over the 12-month period prior to the date a court of competent jurisdiction rules in favour of the Client in final instance.

10.6   Neither Party shall be liable to the other Party for any kind of damages (including, but not limited to, damages based upon lost profits, business interruption, lost business, or lost savings) for any acts or failure to act under an Agreement. Notwithstanding the foregoing, there shall be no limitation on a Party's liability for claims:

10.6.1   arising out of a breach of the Party's confidentiality obligations under an Agreement; or

10.6.2   arising out of the breach of the Party's IP Rights; or

10.6.3   arising from the Party's fraud, gross negligence, and/or wilful misconduct;

except to the extent paid in settlement of such claims from any applicable insurance policy.

Article 11.   Mutual Indemnification

11.1   Each Party agrees to indemnify, defend, and protect the other Party against damages ordered or agreed to be paid by way of compromise or settlement or awarded by a court of competent jurisdiction in final instance, as well as for reasonable legal expenses it incurred, in relation to claims pertaining to the Services due to other Party's infringement of the IP Rights of any third party (an "**IPR Claim**"), and in the case of the Supplier, up to the Limit of Liability as provided in the Supplier's relevant insurance policies, or otherwise as provided in clause 10.5 above.

11.2   A Party seeking to rely on an indemnity from the other Party (the "**Indemnitor**") must:

11.2.1   without undue delay notify the Indemnitor in writing of an IPR Claim, brought against it that results or could reasonably be expected to result in it invoking the indemnity

11.2.2   allow the Indemnitor to control any defence or settlement regarding such IPR Claim exclusively (except for the fact that the Indemnitor is not allowed to consent to any regulatory or criminal sanction against the other Party)

11.2.3   not make any statement or admission in relation to such IPR claim

11.2.4   operate with the Indemnitor in assisting the defence of the IPR claim and in the negotiations or settlements of any such IPR claim, by providing all reasonable assistance and information to perform the above obligations; and,

11.2.5   mitigate its losses to the best of its ability following an IPR Claim.

Article 12.   Assignment

12.1   Neither Party may assign an Agreement or any part of it to a third party, without the consent of the other Party, which consent shall not be unreasonably withheld or delayed.

Article 13.   Waiver

13.1   No waiver shall be effective unless it is in writing and signed by the waiving Party.

13.2   A waiver by either Party of a breach, default, delay, or omission of any of the provisions of these STT or of an Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.

13.3   Failure on the part of a non-defaulting Party to notify the other Party of a breach or default of any provision of these STT or of an Agreement may not be construed as a waiver of said breach or default by the non-defaulting Party.

Article 14.   Severability

14.1   If any provision in an Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, its remaining provisions shall nevertheless continue in full force an effect without being impaired or invalidated in any way.

Article 15.   Entire Agreement

15.1   An Agreement (including all annexes, schedules, etc.) contains the entire agreement of the Parties and supersedes all previous oral and written communications by the Parties, concerning the subject matter of this Agreement.

Article 16.   Variation

16.1   An Agreement may not be modified, changed, or otherwise altered in any respect except by a written prior consent a signed by both Parties, including specifically any adjustments to fees and scope of the Services.

Article 17.   Publicity

17.1   The Supplier may include the Client's name and logo in its customer lists and on its website.

17.2   The Supplier may post on its website case studies describing the Services it delivered to selected Clients, provided that each such Client shall, prior to any publication on the Supplier's website, have editorial control over the content of the case study that relates to them.

Article 18.   No Third-Party Beneficiaries

18.1   An Agreement is a legal, valid, binding and enforceable contractual arrangement between the Parties and confers no rights upon either Party's employees, agents, contractors, partners, customers or upon any other person or legal entity which is not a signatory to that Agreement.

Article 19.   Independent Contractor

19.1   The Parties have the status of independent contractors, and nothing in these STT or in any Agreement nor in the conduct of the Parties will be deemed to place the Parties in any other relationship. As such, the one Party is not authorised to represent the other Party or to bind it to the

19.2   Nothing in these STT or in an Agreement is to be construed as to authorise one Party to contract for, or to incur any obligation on behalf of, the other Party, or to act as agent or attorney in fact of the other Party.

Article 20.   Currency

20.1   Except as otherwise provided in an Agreement, all monetary amounts referred to in an Agreement are denominated in Euros (€) and are exclusive of value added and other applicable taxes, withholdings, duties or imposts.

Article 21.   Non-solicitation

21.1   Neither Party shall solicit or hire, either as an employee or contractor, any person employed by the other Party or by another legal entity related to the other Party by means of ownership structure, except with the prior written consent of the other Party. This clause will remain valid for the duration of the Term and for a two (2) year period following the termination of this Agreement.

21.2   The Parties acknowledge that breach of this clause would cause substantial damages. For breach, of this clause the Party at fault will pay a compensation to the other Party in the amount of fifty thousand Euros (€50,000.00) per occurrence.

Article 22.   Return of Property

22.1   Upon the termination of an Agreement, each Party will return to the other Party any property, documentation, records, or Confidential Information, which is the property of that other Party, and represents and warrants to do so within a reasonable period of time, which shall in any event not exceed two (2) calendar weeks.

Article 23.   Notices

23.1   Except as otherwise permitted in an Agreement, notices under an Agreement shall be in writing and shall be deemed to have been given:

23.1.1   five (5) Business Days after mailing if sent by registered or certified mail; and,

23.1.2   when delivered if delivered personally or sent by express courier service, provided that the notice is required by law to be delivered as a hard-copy original; or

23.1.3   on the date the notice was sent to the e-mail addresses each party designated for this purpose in the relevant Agreement.

23.2   All notices which are:

23.2.1   required by applicable law to be made in hard copy shall be sent to the other Party at the address set forth in the relevant Agreement, and be addressed to the legal representative of the Client named in that Agreement, or such other member of staff or legal representative specifically named in that Agreement for that purpose; and,

23.2.2   not required by applicable law to be made in hard copy, shall be delivered to the other Party via electronic mail to the e-mail address(es) given in the relevant Agreement.

23.3   Each Party is responsible for keeping the other Party up to date with regard to any changes of their registered address, legal representatives and/or e-mail addresses for the delivery of notices, failing which the consequences thereof shall be for the sole risk and account of the Party failing to keep its notification details up to date.

Article 24.   Signatures

24.1   This Agreement may be executed in multiple counterparts, each of which, when executed, will be an original, and all of which, when taken together, will constitute one Agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission (including via pdf by e-mail) will be as effective as delivery of a manually executed counterpart in hardcopy.

Article 25.   Dispute Resolution

25.1   If a dispute arises between the Parties relating to the interpretation or performance of an Agreement or the grounds for the termination hereof, the Parties agree to hold a meeting within fifteen (15) days of written request by either Party, attended by individuals representing each Party with decision-making authority, regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute prior to pursuing other available avenues of redress.

25.2   If, within 15 days after such meeting, the Parties have not succeeded in resolving the dispute, then any unresolved disputes arising out of or in connection with an Agreement shall be settled under the rules of arbitration of the International Arbitration Court[1], by two arbitrators. The arbitrators' ruling shall be final. No award or procedural order made in arbitration shall be published by either Party.

25.3   The venue for arbitration will be Sofia, Bulgaria, with arbitration proceedings taking place in the English language.

Article 26.   Governing Law and Jurisdiction

26.1   An Agreement, and the enforcement of any arbitration ruling, in relation to a dispute arising from it, shall be governed by, and construed in accordance with, the laws of Bulgaria and submitted to the exclusive jurisdiction of the courts in Sofia, Bulgaria.

26.2   In case a Party, against whom a binding arbitration ruling in relation to a dispute has been issued, fails to abide by such binding ruling, the other Party shall, without the need for any explicit or implicit prior reservation of rights, be entitled to protect its interests by any lawful means available to it. For the sake of clarity: the United Nations Convention on Contracts for the International Sale of Goods shall not apply.

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[1] https://court.apv.bg/?page_id=127