General Terms and Conditions Coresystems AG

§1 Terminology

In the context of the contractual relationship, the following terms are used:

Final account:
List of all contractual services after the acceptance of the project and their respective prices (excluding payment for maintenance).

Target price:
The target price is an estimate of the cost of the project, based on the service description. A 15 percent deviation is, in any case, considered as in accordance with the contract. Nevertheless, unforeseeable circumstances for which Coresystems AG is not responsible may lead to deviations of more than 15 percent.

Fixed price:
The fixed price is a fixed payment amount for the project, in accordance with the service description. Additional costs for services outside the service description may be charged separately.

Unit prices:
Prices defined per unit, for example per hour or per kilometer travelled; excluding VAT.

Cost ceiling:
The costs ceiling is a maximum limit for the payment amount that can be charged for services of a Coresystems AG project, in accordance with the service description and/or offer.

Service description:
In the service description, the scope of services to be offered by Coresystems AG in accordance with the proposal (offer), is amended, changed or specified.

System components:
Individual hardware parts and software components that are connected to and interact with the other parts.

Regular working hours:
Workdays, except general public holidays, from 08:00-12:00 a.m. and from 01:30-05:00 p.m. (GMT + 01:00).

Qualified notice of defects:
Detailed description of the error (what happens in which situation) with the relevant documentation attached (for example, screenshots, incorrectly created documents, and so on). Coresystems AG may establish guidelines for a qualified error message that must be taken into account.

Response time:
The time between the qualified error report and the first expert intervention on-site or via remote maintenance. The response time does not include the travel time; therefore, travel time must be added to the response time.

Remote maintenance:
Using a special software, Coresystems obtains online-access to the client's system and can thus perform remote maintenance on the system. A fee will be charged for the use of the remote maintenance software.

Fault reporting:
helpdesk.coresystems.ch

Product error:
A product error is an error, flaw, mistake, failure, bug or fault in a computer program or system that produces an incorrect or unexpected result, or causes it to behave in unintended ways. Unless not otherwise specified, an unexpected result is, when the behavior of the software does not match the specification. Therefore, software behavior which is not specified cannot be considered as product error.

§2 Applicability of the Terms and Conditions

These terms and conditions shall apply to the current contractual relationship, as well as to all future business relationships, unless separate contracts with different terms and conditions be agreed for future orders.

§3 Subject of the Contract

a) Coresystems AG renders services and provides products according to the proposal (offer) and/or according to the service description. The right to minor modifications to the service description, for instance, due to new versions of the system components, is reserved. Proposal (offer) and service description form an integral part of the contract.

b) Where necessary to fulfill their tasks, Coresystems AG may consult third-parties and shall inform the client accordingly. Unless otherwise agreed, Coresystems AG shall be obligated to render services only during regular working hours.

§4 Price

a) Price type and price level are defined in accordance with the contract, according to the proposal (offer), and/or service description. Deliveries are to be invoiced at effective cost, unless otherwise agreed. Travel and subsistence expenses are charged at flat rates. Airplane and rail travel are charged effectively. Prices and unit prices are excluding VAT.

b) If an overrun of a target price is foreseeable, Coresystems AG shall inform the client in writing.

c) Should the price be exceeded by more than 15 percent due to causes not previously foreseen by Coresystems AG and outside their responsibility, the relevant additional cost have to be paid by the client from the moment the client was informed about the overrun in writing. In case of overruns below 15 percent, there shall be no additional communication with the contracting party.

§5 Time Limits (Deadlines)

a) Services are rendered in accordance with the proposal (offer) and/or service description. A project plan will, as a rule, be created for larger orders. Time limits (deadlines) in the project plan or in other documents are approximate, non-binding indications, unless other agreements have been included in writing in the contract or in an amendment to the contract. In the event of delays regarding the project plan, the client is informed with an indication of new deadlines as soon as a delay can be foreseen.

b) Whenever the delay is caused by the client (for example, infringement of the obligation to co-operate, change requests, and so on), but also when Coresystems AG cannot be held responsible for the delay, Coresystems AG has the right to an adequate extension of the deadlines, even in case of binding agreements with regard to deadlines.

c) If the delay by Coresystems AG corresponds to more than four weeks beyond the agreed deadline and under consideration of the right to extend the deadlines, the client of Coresystems AG may establish a new reasonable extension for the delivery of services due as agreed under the contract. If services have not been supplied after expiration of this extension, the client may withdraw from the contract. Services by Coresystems AG that may still be used with good faith after the withdrawal from the contract, are to be paid to Coresystems AG in accordance with the contract.

§6 Obligations of the Client to Co-Operate and to Provide Information

a) The contracting parties shall inform each other unrequested about all circumstances that may have an influence on contractual services.

b) To render contractual services, Coresystems AG relies on the co-operation of the client and on the access to clients' systems. The client is obliged to co-operate, for example, by:

> » Providing requested information accurately, and making decisions and communicating same efficiently

> » Providing information regarding structural provisions for the installation of hardware

> » Providing access to the system and allowing for sufficient computer time

> » Providing Coresystems AG with qualified and informed staff with sufficient time resources for co-operation

> » Providing sufficient work stations

> » Providing data and documentation regarding hardware and software

> » Submitting qualified reports on defects for analysis and correction of errors

> » Providing authorizations/rights for their software, required to render the services

> » Collaborating with interim tests, and so on.

c) Requests by Coresystems AG are to be answered the following working day. In situations requiring clarification by client, requests have to be raised on the following working day and quickly advanced. Additional expenses caused by insufficient co-operation by the client are borne by the client.

§7 Hardware Delivery

Coresystems AG does not deliver their own hardware, but provides access to hardware by third-party companies. The contract is concluded between the client and the third-party company. By placing the order with Coresystems AG, the client also recognizes the terms of purchase and the terms and conditions of the third-party company.

§8 Delivery of Third-Party Software and Customized Software (Copyrights)

a) Coresystems AG only provides access to third-party software. The contract of purchase or licensing agreement is concluded between the client and the third-party company. By placing the order with Coresystems AG, the client also recognizes the license agreements and the terms and conditions of the third-party company.

b) Our own software, namely Coresuite products, is delivered only to partners of Coresystems AG who hold a valid partner contract. Without a partner status, software products cannot be acquired. Utilization of Coresuite products is permitted only after recognition of the respective terms and conditions in force.

c) Coresuite products also contain program components („redistributables") the copyright of which is not owned by Coresystems AG but by a third-party (third-party manufacturer). The rights of use of these redistributables have been allocated by the third-party manufacturer to Coresystems AG exclusively for the purpose of distribution

> » as an embedded part of Coresuite, and

> » on a resale basis through Coresystems AG, exclusively for the use and in connection with Coresuite, in the context of the respective terms of use in force.

d) The redistributables must therefore only and exclusively be used together with Coresuite. Any other use of these redistributables, even if technically possible, is considered a breach of the contractual scope of use, and is not permitted. Coresystems AG is not permitted to grant the licensee authorization to modify or upgrade the redistributables.

e) All statutory warranty rights granted to the licensee are not applicable to redistributables. To those, only the provisions by the third-party manufacturer apply. Coresystems AG herewith waives all warranty rights for direct enforcement towards the third-party manufacturer. Any other warranty, particularly in connection with the legal warranty, is herewith explicitly excluded.

§9 Additional Expenses and Additional Services

a) The client may, at any time, propose either changes to the services in accordance with the service description, or additional services. Coresystems AG shall inform the client in writing if it becomes foreseeable that change requests may incur additional expenses, delays with regard to deadlines, and defects.

b) Unless otherwise agreed, additional expenditure for additional services will be provided as direct labor and will be charged in accordance with existing unit prices.

§10 Acceptance

a) The acceptance shall give evidence of the functional performance of the delivered system (hardware of any kind), the integrated business software (SAP Business One), AddOns (Coresuite), the webshop, the website, and/or other services of Coresystems AG.

b) Coresystems AG shall inform the client when the rendered services are considered ready for acceptance. Acceptance has to take place within one month. Coresystems AG may predefine the test procedure. The client is obliged to provide test data on request.

c) If the client refuses to co-operate or to carry out the acceptance, Coresystems AG appoints an additional grace period of 14 days. After expiration of this additional period without any action, the rendered services are considered accepted. This is also applicable if actual acceptance has not taken place.

d) Defects detected during the acceptance are to be recorded in a protocol, to be signed by both contracting parties. If none or insignificant defects are detected, the services and the system components will be considered accepted. A defect is considered significant if it corrupts the work result with respect to the purpose defined in the contract, or if it deviates significantly from the services defined in the contract so that acceptance cannot fairly be expected from the client. The client has the right to only claim subsequent repair of the defects.

e) In case of significant defects, Coresystems AG must indicate their correction and another acceptance must take place within two weeks. If Coresystems AG does not succeed to eliminate the defects within two months, the client can set a final deadline for elimination of the defects. If defects cannot be corrected within this timeframe, the client can, in case of significant defects, refuse the acceptance of services and the system components or parts of it, or demand a reduction in price. If the acceptance of a part of the services or system components is reasonable, the client cannot refuse the acceptance of this part. In case of insignificant defects, the client may request an abatement of the purchase price only. Requests for price abatement have to be reasonable and amount to a maximum of 30 % of the originally agreed price.

f) In any case, the point of time when the rendered services and/or delivered system components are productively used by the client is considered as acceptance date.

§11 Invoicing/Payment Conditions/Delay in Payment

a) Coresystems AG are entitled to charge partial services periodically. The client is entitled to request detailed service statements monthly. Invoices have to be paid within ten days after invoice date, without deductions, unless otherwise agreed.

b) For each overdue notice, a fee of 20.00 CHF is charged. After the first reminder, an interest on arrears of 8% p.a. is charged, independently of subsequent reminders conceding an extended period of payment. In case of delay in payment, Coresystems AG may grant the client an additional period of payment of at least 10 days, and if declared so immediately, suspend services until execution of payment or withdraw from the contract. If the client denies the obligation for payment, the client may require a guarantee (seizure) by Coresystems AG, but cannot refuse payment. If the client does not proceed with a claim application for refund of the contested payment within three months after the guarantee (seizure) proceedings, the obligation of guarantee (seizure) for Coresystems AG is cancelled.

c) Charging of mutual services is only valid by written agreement.

§12 Conditional Sales

Coresystems AG retains ownership of the purchased items until payment of all claims has been made in full as agreed in the sales contract. In the event of a breach of contract by the client, especially in cases of delayed payment, Coresystems AG is entitled to retain the purchased items. Retaining the purchased items is not considered a withdrawal from the contract.

§13 Warranties by Coresystems AG

a) Coresystems AG warrants that the services provided are carried out by qualified, trained and experienced specialized staff committed to providing an operational system in accordance with its defined purpose, and to correcting faults.

b) Nevertheless, Coresystems AG can neither warrant the uninterrupted or the error-free operation of the system, nor that the correction of a program error excludes other program errors. Unless agreed in writing, Coresystems AG does not warrant a certain availability or performance of the system to be maintained.

c) If Coresystems AG fails in its contractual service obligation although the client sets an adequate additional period, or if Coresystems AG is not able to solve a fault within an appropriate period of time, the client may engage a third-party company and charge the cost to Coresystems AG if this third-party company is able to solve the fault within the same period of time granted to Coresystems AG.

d) In case of defects, Coresystems AG undertakes to cede their warranty rights on spare parts and other deliveries of products they are entitled to vis-à-vis the supplier to the client. Otherwise, warranty of quality is explicitly excluded.

e) Coresystems AG warrants that system components produced in-house do not infringe on industrial property rights from third-parties, on the conditions that

» that the client communicates in writing, within 30 days, if a third-party alleges infringement of industrial property rights and,

» assigns the negotiations with the third-party and possibly the conduct of a case exclusively to Coresystems AG, if requested.

When infringement of industrial property rights through system components of other manufacturers is alleged, only the warranty obligations of those manufacturers apply. Coresystems AG undertakes to cede any warranty rights they are entitled to vis-à-vis the supplier to the client, if so requested.

f) In case of infringement of industrial property rights of third-parties, and if the client has fulfilled its obligations in terms of this regulation, Coresystems AG shall, at its own discretion,

» with approval from the client, carry out software modifications in order to eliminate the infringement of industrial property rights, or

» refund the contractual remuneration, if the client agrees to delete the programs irrevocably from all system components, no longer uses the remaining work results, and delete them where possible.

g) In case of justifiable third-party claims, Coresystems AG will grant an indemnity to the client. The client is not entitled to further claims. In addition, Coresystems AG warrants that the delivered system fulfils the functions and provisions in accordance with the contract, on the condition that:

» the work results were used and operated correctly and run in the recommended software and hardware environment

» modifications not authorized by Coresystems AG were carried out on the computer system (hardware and software)

» the client has signed a system maintenance contract with Coresystems AG

» the client immediately communicates the defects to Coresystems AG in a qualified and written form

» the defects are discovered within six months after acceptance.

h) If the defect report is incomplete, Coresystems AG will request the required information and documentation from the client. The client shall provide these immediately.

If the hardware supplied by a third-party company is defective, the client is entitled to exclusively claim warranty rights from the third-party company. If required, Coresystems AG shall cede their warranty rights towards the third-party company to the client.

i) In addition, the client only has a right to remediation of a defect by Coresystems AG. For the remediation, the client is obliged to co-operate, in accordance with these terms and conditions. If Coresystems AG does not succeed to eliminate the defaults within two months, although the client fully fulfilled his obligation to co-operate, the client can set a further time period of one month and, should the elimination of the defaults not have been possible within this time period, require a reduction of the contractual price. In case of significant defaults, the client can, instead of a reduction, completely or partially withdraw from the contract. In case of system components that can, with good will, still be used by the client, a withdrawal from the contract is not permitted.

If it can be proven that the defects were caused by

» an incorrect use of the software by the licensee or persons associated with the licensee,

» modifications or interventions in the IT system not authorized by Coresystems AG

» operating errors of the IT system or

» a system environment that does not comply with the recommendations of Coresystems AG

the client will have to indemnify Coresystems AG for their expenses due to the investigation of the causes and the elimination of the defects, work carried out in direct performance, according to the current unit prices. Indemnity for infringement of Coresystems AG copyrights is reserved.

§14 Training Courses

a) If training was agreed, the training fees are owed unabatedly, even if the training, upon request by the contracting party, does not take place, is shortened, or if less participants than agreed participate.

b) The agreed number of participants can only be exceeded with the agreement of Coresystems AG. Unless otherwise agreed, additional charges per additional participant are due.

c) If the training course cannot take place as agreed due to illness of the trainer or due to force majeure, dates for the training course shall be rescheduled and agreed. Apart from that, any postponement of the training course dates or transfer of the training location are only possible with the approval of Coresystems AG.

d) Included in the training fee are the use of the course facilities (restaurant) and the trainer's fees. Not included are travelling and accommodation expenses for training courses carried out outside Coresystems AG premises. Training documents are also not included. Different arrangements can be made upon request, as long as these are agreed one week before the training course.

e) Training is conducted by employees of Coresystems AG who have sufficient practical experience in the subject matters to be taught, and who are well prepared for the training. Coresystems AG has no further due diligence obligations.

§15 Documentation

The documentation and user manuals on software products delivered and published by Coresystems AG are protected by copyright and may only be copied for private use.

§16 Liability

a) Coresystems AG is only liable for willful or highly negligent infliction of damage by their representatives and employees. For auxiliary employees called on by Coresystems AG for delivery of their services, as well as in case of medium negligence by their representatives and employees, Coresystems AG is only liable for direct damages and only up to 20 % of the contractual price.

b) Apart from that, liability is, within the framework of the existing legislation, excluded, particularly in case of indirect damages (consequential damage), for example loss of data, lost profit, contract penalties, and so on.

c) Coresystems AG shall under no circumstances be liable for loss or damage

  » that could have been prevented or reduced by the client by reasonable measures, such as regular program and data back-ups (including anti-virus protection)

  » caused or increased by incorrect use of the software by employees and auxiliary personnel of the client

  » caused or increased by the clients' infringement of the obligation to co-operate

  » Loss of data

d) The client is obliged to back-up their data daily. For data loss that is the responsibility of Coresystems AG, Coresystems AG is liable only for reproduction efforts required where back-up copies exist.

§17 Confidentiality Clause

The contracting parties are obliged to confidentiality of not generally known, secret information, received as part of the execution of this contract. This applies also after termination of the contract and also if the information was received fortuitously. Employees and auxiliary personnel assigned to the execution of the contract are also obliged to confidentiality. This obligation does not apply when exposure of information required for contract fulfillment or for enforcement of the contractual services and obligations in a lawsuit of the other party can be expected in good faith.

§18 Miscellaneous

a) If Coresystems AG does not enforce rights from this contract, this shall not be deemed a waiver as to subsequent enforcement of rights.

b) If a regulation of this contract should be completely or partially invalid, impossible, or void, the legal obligation of the other regulations hereof remains untouched. Any invalid, void or impossible regulations shall be replaced by such that most closely represents the purpose and intent of the original regulation.

c) Coresystems AG reserves the right to change these terms and conditions. These will be communicated to the client in a suitable manner and are deemed as accepted if the client does not object within one month. Current terms and conditions are available at www.coresystems.net.

§19 Place of Jurisdiction and Applicable Law

Place of jurisdiction for all disputes arising from and in connection with this contract is the headquarters of Coresystems AG. All agreements are subject to Swiss law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG). References of Swiss international private law to foreign law are not taken into account.

Windisch, April 2016

Appendix I,
Maintenance Contracts

§1 Maintenance in General

a) When acquiring hardware systems, websites, webshops, Coresuite products, customized programming, and SAP Business One installations, a maintenance contract arises automatically.

b) The maintenance contract is automatically renewed by a year if a request for termination is not submitted in compliance with a period of prior notice of 90 days before the end of the year. Maintenance contracts connected to SAP Business One installations can be terminated after two years at the earliest.

The termination of the maintenance contract, in the case of software products, automatically leads to the termination of the rights of use and the termination of the obligation for provision by Coresystems AG. Therefore, the customer is no longer entitled to support services and products updates for the corresponding Coresuite modules.

c) The following conditions apply to phone support:

» Support services are charged as of the first minute, according to the hourly rate set by Coresystems AG.

» For support services outside the normal business hours, 150% of the hourly rate set by Coresystems AG is charged.

» A minimum charge of 15 minutes per support service applies.

d) Coresystems handles support queries as fast as possible. A general reaction time is not guaranteed. Fix reaction times can be specified in separate individual agreements.

e) The agreed maintenance fee can be adjusted by Coresystems. The adjustment must be communicated to the contract partner. If such an adjustment takes place, the contract partner has the extraordinary right to cancel the contract on the effective date of the adjustment.

§2 Maintenance of Websites, Portals and Online Shops

a) Coresystems AG creates online shops and websites only in connection with a maintenance contract, unless otherwise agreed in writing. In the absence of other agreements in writing, the maintenance fee will be charged depending on the price pursuant to the final account. The maintenance contract comes into force on the day of the acceptance of the online shop or website. The maintenance fee for the current year is owed proportionally (pro rata temporis).

b) Upon payment of the maintenance fee, the following services and performances are warranted to the client:

» Provision of a support service with specially trained staff.

» Correction of product errors not detected during the test phase. Please consider the terminology/glossary for the definition of product error.

» Software updates (installation services not included).

c) The online shop or the website containing customer data are handed over to the client on a data medium on request upon termination of the maintenance contract. Coresystems AG may charge the corresponding expenses and the time expenditure in accordance with their current unit prices.

d) The roll-out of the adjusted software to the systems is the responsibility of the customer, unless otherwise specified.

§3 Maintenance of Coresuite Products

a) Coresuite products will be licensed only in connection with a maintenance contract. In the absence of other written agreements, the maintenance fee will be charged depending on the gross license costs. The maintenance contract comes into force upon signing the contract. The maintenance fee for the current year is owed proportionately (pro rata temporis).

b) Upon payment of the maintenance fee, the following services and performances are warranted to the client:

» Provision of a support service with specially trained staff.

» Correction of product errors not detected during the test phase. Please consider the terminology/glossary for the definition of product error.

» Adjustment of modules to modified SAP Business One versions and report of product errors in relation to SAP Business One products to SAP AG.

» Continuous enhancement of the Coresuite product base (Coresuite framework).

» Software updates (installation services not included).

c) The user is not entitled to free-of-charge support during installation, operation, bug (error) fixing or any other support by Coresystems AG, neither on-site nor by telephone.

d) The roll-out of the adjusted software to the systems is the responsibility of the customer, unless otherwise specified.

Maintenance of SAP Business One Installations

a) SAP Business One installations are carried under the lead of Coresystems AG solely or in co-operation with an SAP Business One VAR Partner. In both cases, issued licenses are subject of maintenance fees. In the absence of other written agreements, the maintenance fee will be charged depending on the gross license costs. The maintenance contract comes into force upon signing the contract. The maintenance fee for the current year is owed proportionately (pro rata temporis). The contracting parties of maintenance contracts are the end customer and an SAP Business One Channel Partner assigned by Coresystems AG. Coresystems AG carries out maintenance services only upon request by the SAP Business One Channel Partner. Upon payment of the maintenance fee, the following services and performances are warranted to the client:

» Provision of a support service with specially trained staff.

» Correction of product errors not detected during the test phase. Please consider the terminology/glossary for the definition of product error.

» Software updates (installation services not included) provided by SAP.

b) The maintenance contract may, at the earliest, be cancelled two years after the date of acceptance. In addition, the regulations of the written maintenance contract, to be agreed with the end customer and the SAP Business One Channel Partner, apply.

c) The roll-out of the adjusted software to the systems is the responsibility of the customer, unless otherwise specified.

§4 Maintenance of Customized Programming for SAP Business One and other software systems

a) If Coresystems AG is engaged by one of its clients to program a customized AddOn or a rule for Coresuite customize that somehow modifies or enhances the business logic of SAP or other software systems, this may only occur in connection with a maintenance contract, except otherwise agreed in writing. Unless otherwise agreed in writing, the maintenance fee will be calculated depending on the gross amount of the project.

b) Upon payment of the maintenance fee, the following services and performances are warranted to the client:

» Provision of a support service with specially trained staff.

» Correction of product errors not detected during the test phase. Please consider the terminology/glossary for the definition of product error.

» Adjustment of individual programming to modified software versions (SAP Business One or Microsoft SQL Server).

c) Coresystems AG is not obliged to develop enhancements and modification requests. The client acknowledges that it is beyond the influence of Coresystems AG if SAP or Microsoft launches a version that can no longer be supported by customized programming. In such a case, the client is not entitled to a refund (reimbursement) of programming services or maintenance fees that have already been invoiced.

d) Should SAP launch a version that can no longer be supported by customized programming, the maintenance contract may exceptionally be cancelled if the client has installed this SAP version on their system. Exceptional cancellations take place at the end of the current month. Possible maintenance fees until that date are owed pro rata.

e) In case of software version updates (SAP Business One, SQL Server or other server components), it is recommended to do a test-update on a dedicated system. The responsibility is on customer side, unless otherwise specified. Please note that Coresystems AG cannot influence the compatibility of 3rd party products like for example SAP Business One with a specific operating system or Microsoft SQL Server with a specific operating system or even the compatibility of a certain Microsoft Excel version to other software.

f) The roll-out of the adjusted software to the systems is the responsibility of the customer, unless otherwise specified.

Appendix II,
Software Leasing (SaaS, OnDemand)

§1   Maintenance in General

a) These special regulations regarding the lease of software apply only to the lease of Coresystems Field Service Software and third-party software made available on the coresuite.com portal. If Coresystems AG supplies software by other manufacturers, the general licensing terms and terms of use of the other relevant manufacturer apply.

b) During the term of this lease agreement, the lessee is entitled to all upgrade and update versions of the software leased. Maintenance support covers the support for all functions of the standard software. Additional programming changes to the software are determined individually with regard to maintenance.

c) In the event of the client using software licenses by Coresystems for the use by third-parties, Coresystems is entitled to a monthly overview of all active software used by the client.

§2   Term and Cancellation

a) Unless otherwise agreed, the term of a lease is 12 months from the conclusion of the contract.

b) The lease agreement is automatically extended by another 12 months if not cancelled by one of the contract parties with a notice period of 90 days prior to the end of the contract. The same applies to a contract already extended. The contract must be cancelled in writing.

c) During the term of the contract, Coresystems is entitled to extraordinarily terminate the contract without observing a cancellation period if special reasons for cancellation apply (see § 4 Extraordinary Cancellation). In the case of an extraordinary cancellation, Coresystems has the right to request the rental payments that would have been due over the entire term of the lease contract from the lessee as flat-rate damages. Coresystems is not obliged to refund rental payments paid by the lessee in advance for future months prior to an extraordinary cancellation. Coresystems and the lessee are entitled to claim higher or lower damages from the other contract party, and prove this claim.

d) The right of the lessee to an extraordinary cancellation of the contract is not restricted by the regulations in this paragraph.

§3   Adjustments of Rental Payments, Rental Payments

a) In the case of an extension of the contract in accordance with 2 b), Coresystems reserves the right to adjust the rental payments for software used by the client to the applicable price list set by Coresystems. Coresystems will inform the lessee regarding changes to the price list in relation to the software used by the lessee at least three month prior to expiration of the current lease contract.

b) In the case that the lessee obtains further software from Coresystems during the contract term in addition to the agreed software licenses, Coresystems shall adjust the rental payments according to the total of software licenses used for the term of the contract.

c) The rental payments and other monthly invoices for additional support services are invoiced in advance and must be paid by the lessee within the required notice periods.

d) If the lessee fails to pay the rental payment for more than 30 days, Coresystems is entitled to suspend all services and support until the rental payment in arrears is paid, and also to deactivate access to the leased software, without further notice to the lessee.

e) In the event of delay of payment by the lessee, Coresystems is entitled to charge interest on arrears in accordance with our terms and conditions. Both parties reserve the right to prove a higher or lower loss for interest.

f) The rental payment (lease) is invoiced in one annual payment (12 months) in advance.

§4   Extraordinary Cancellation

a) Both contract parties are entitled to an extraordinary cancellation of the lease contract in the event that the other party violates essential obligations in the contract. The parties exclude such reasons for cancellation that do not affect the operability of the Coresystems software. Coresystems is entitled to cancel this contract extraordinarily in the event of one of the following conditions:

» The lessee repeatedly violated the software license agreements by Coresystems.

» The lessee passed on to third-parties their contract number or customer password received by Coresystems to access Coresystems support services. Same applies to passing on of the contract number and password to employees of the lessee who were not identified to Coresystems as contact persons by the lessee.

b) In the case of termination of this lease contract due to an extraordinary cancellation, the lessee is obliged to cease using the software. In addition, the lessee is required to delete any software delivered by Coresystems from the relevant computers.

c) In the event of an extraordinary cancellation by Coresystems culpably effected by the lessee, Coresystems reserves the right to payment of the entire rental payment for the originally agreed term of this contract.

§5   Updates and Upgrades of Coresystems Software

a) Updates

(1) Coresystems shall provide the lessee with all updates of the leased software during the term of the contract. However, Coresystems is not obliged to implement or configure such updates.

(2) Coresystems is obliged to provide support that concerns the standard software and the functions in accordance with the feature list, as long as Coresystems can actually provide support. Likewise, Coresystems does not warrant that modifications to a previous version of the software customized by the lessee remain operational after an update or upgrade. If the lessee requires support for their customized Coresystems software, a separate support agreement has to be entered into with Coresystems.

(3) New software versions that contain product improvements are regarded as updates. Updates of the software have a higher version number than the preceding version of the relevant software.

b) License Agreements for Updates/Upgrades

The relevant valid end-user license agreements (EULA) apply to the use of software agreed in the lease contract. In case of using an update or upgrade of the software under contract, the relevant EULA apply. In addition, the general terms and conditions by Coresystems for the sale of standard software apply. With the installation of the update or upgrade provided by Coresystems, the lessee loses the right to further use of the preceding version of the software.

Appendix III,
End User License Agreement (EULA)

§1 Scope of Use

a) Coresystems AG grants the user a simple, non-exclusive right to use the contract software. Licensing includes the right to use the contract software in the scope agreed in the contract. Supplementary to the scope of use is the technical documentation. The user must comply with contractual or technical restrictions of use.

b) The user is permitted to transfer the software to third-parties only if the purchase accepts the Coresystems EULA. They have to ensure that the third-party is informed about the Coresystems EULA and the technical documentation for the contract software. The transferring user must transfer all back-up copies in their possession to the purchaser or immediately destroy these. The transferring user must comply with national and international export regulations applicable to the software transfer.

c) The transfer of the right of use as part of a continuing obligation (for example, lease or rent) that serves as commercial or profit purposes of the user is not permitted unless this user is an ASP, that is, a company that provides the outsourced operation of complete e-commerce systems in the capacity of an outsourcing provider. In this case, the contract partner must accept the Coresystems EULA. They have to ensure that the contract partner of the ASP receives information about the Coresystems EULA and declares acceptance.

§2 Copyrights and Protected Rights/Third-Party Rights

a) The user accepts the copyrights by Coresystems and therefore the exclusive rights and exploitation rights of the software. The exclusive use and exploitation rights also apply to software enhancements and modifications that Coresystems created for the user as part of the contract.

b) The user accepts the brand names, trademark, name and patent rights of Coresystems for the software and the corresponding documentation. The user is prohibited from removing, changing or otherwise rendering as unrecognizable copyright references and references to existing trademark rights.

c) If Coresystems delivers licensed third-party software embedded in the contract software ("embedded licenses"), their use is possible only in connection with Coresystems contract software.

§3 Reproduction Rights

a) The user is entitled to reproduce the delivered software if the reproduction is required for the use of the software. Required copies comprise the installation of the software from the original data medium to the mass storage device of the hardware used, and loading the software into the working memory (RAM).

b) In addition, the user is permitted to create a back-up copy. They are, however, permitted to create and store one back-up copy only. This back-up copy must be marked as such.

c) Additional copies, also comprising printing the program code and photocopying the manual, are not permitted. Additional manuals required for employees can be procured via Coresystems.

§4 Decompilation and Program Changes

a) Decompilation of the program code to other code forms and other forms of deduction of the various manufacturing stages of the software (reverse engineering) including program changes are prohibited.

b) Copyright notes, serial numbers and other characteristics serving program identification must not be removed or changed.

§5 Liability for Defects

a) In the event of a defect in the software, the user can request a supplementary performance in form of a rectification of the defect, or the delivery of a new, defect-free replacement. In the event of a rectification of a defect, Coresystems is liable for all cost in relation to the rectification, especially transport cost, travel expenses, labor cost and material cost, unless these increases are due to moving the purchase item to a different location than the original place of fulfillment.

b) If the supplementary performance fails, the user is entitled to request withdrawal from the contract or abatement of the purchase price.

c) In accordance with the law, Coresystems is liable towards claims resulting from willful intent or acts of gross negligence by representatives or assistants of Coresystems. To the extent that Coresystems are not accused of intentional breach of contract, liability for damages is limited to the foreseeable and usually occurring damages.

d) Coresystems shall beheld liable in accordance with prevailing legal provisions provided that they culpably violate their contractual obligations. In this case, however, liability for damages is limited to the foreseeable and usually occurring damages.

e) In the absence of any provisions to the contrary above, liability shall be excluded.

§6 Liability

Liability for damages extending further than prescribed in § 5 is excluded - without consideration of the legal nature of the applicably made claim.

§7 Final Provisions

a) All agreements, which stipulate a change, a supplement or an appropriation of these EULA by Coresystems, as well as any special guarantees and arrangements, must be set down in writing.

b) Should any of the provisions of these Coresystems EULA be null or void, this will not alter the effectiveness of the remaining provisions. Should the Coresystems EULA contain a gap, a regulation is to apply, which, insofar as is legally possible, reflects most closely the wishes of the contractual partners, had they thought of this point.

c) If the user should have their own general terms and conditions, and if these match the content of the Coresystems EULA, these are deemed as agreed. Regulations of non-mandatory law replace individual, conflicting regulations. The same applies to regulations contained within the user's general terms and conditions that are not contained within these Coresystems EULA. In case these Coresystems EULA contain regulations not part of the terms and conditions of the user, the regulations in the Coresystems EULA prevail.

d) The client agrees not to export the software knowingly, directly or indirectly to countries subject to export restrictions of the relevant country. They explicitly agree not to export the software to countries on the list of embargos by the US government (in its relevant applicable version) for goods and services.