General Terms and Conditions of Business

of avodaq AG and its subsidiary companies

valid from 1 July 2019

§ 1 General – Scope of application

1.1. General Terms and Conditions of Business (GTC) that apply to all deliveries and services of the following companies of the avodaq Group are listed below.

The avodaq Group currently comprises avodaq AG in Germany and its subsidiary companies avodaq AG Representative Office Philippines, avodaq Inc. in the United States of America and avodaq Pte. Ltd. in Singapore.

When “avodaq” is mentioned below, the provisions apply mutatis mutandis to the subsidiary companies listed or not yet listed here, but which may be added in the future.

1.2. Depending on the type of service, avodaq AG provides its services on its own or may make use of its subsidiary companies from the avodaq Group. If necessary, avodaq will have recourse to cooperating third party suppliers who then serve as downstream or primary service providers. If avodaq AG acts as the contractual partner, it is the sole authorised and obliged party. This also applies if in individual cases, the accounting is carried out by a subsidiary company, but avodaq AG is the contractual partner. If a subsidiary company is a contractual partner, this will be obvious from the contract and the present GTC shall apply analogously.

1.3. avodaq will perform its services based on its GTC. General terms and conditions of the customer shall not apply, even if avodaq has not explicitly contradicted them. Other conditions are only binding if avodaq has acknowledged them in writing; the GTC of avodaq shall then apply in addition.

1.4. In the event of deviations from the mutually agreed text of the contract, the provisions of the text of the con-tract shall prevail.

1.5. Companies within the meaning of § 14 BGB [Civil Code] are natural persons, legal entities or partnerships with legal capacity with whom business relationships are entered, and who perform a commercial or independent professional activity.

1.6. Within the meaning of the GTC only company are customers.

1.7. Third parties within the meaning of the GTC may be both hardware and software manufacturers, cloud providers, cooperation partners, service providers or other natural persons and legal entities who do not become contractual partners between avodaq and its customers, but who may be a necessary part of the establishment of business relationships.

§ 2 Conclusion of contract

2.1. Offers from avodaq are non-binding. The right to make technical changes and changes in form, colour and / or weight is reserved within reasonable limits.

2.2. By ordering a product or placing an order, the customer bindingly declares his intention to purchase the ordered goods or to execute the order as applied for.

2.3. avodaq is entitled to accept the contractual offer in the order or order placement within two weeks of receipt. Acceptance may be declared either in writing or by delivery of the goods to the customer or by the actual execution of the order.

2.4. If the customer orders the goods electronically, avodaq will confirm receipt of the order as soon as possible. The confirmation of receipt does not represent a binding acceptance of the order. The confirmation of receipt may be associated with the declaration of acceptance.

2.5. The contract is concluded subject to the correct and timely delivery by suppliers of avodaq. This only applies in case that non-delivery is not the responsibility of avodaq, particularly if a congruent covering transaction is concluded with avodaq suppliers.

2.6. The customer will be informed immediately about the unavailability of the service. The consideration will be refunded immediately.

2.7. If the customer orders the goods by electronic means, the text of the contract will be stored by avodaq and sent e-mail to the customer upon request, together with these GTC.

§ 3 Remuneration, payment, performance protection deadlines

3.1. Unless otherwise agreed, the remuneration will be charged by avodaq at the prices generally applicable at the time of conclusion of the contract. Payments are in principle net prices plus value added tax at the statutory rate.

3.2. The agreed remuneration is binding for four months from the conclusion of the contract. avodaq is entitled to make a price adjustment in respect of the customer, especially if price increases occur due to exchange rate fluctuations.

3.3. avodaq may invoice monthly. If services are remunerated according to time spent, avodaq will document the nature and duration of the activities and send this documentation with the invoice.

3.4. The costs of monetary transactions will always be borne by the paying party.

3.5. Foreign currencies will be converted into EURO according to the official ask price of the relevant currency quoted at the European Central Bank on the date of invoicing, unless the invoice is issued in that currency.

3.6. All invoices must be paid in full at the latest 14 calendar days after receipt, without deductions. Upon expiry of this period the customer is in arrears of payment.

3.7. The customer must pay interest on the debt amounting to 8% above the base interest rate during the period of delay. avodaq reserves the right to prove and assert against the contractor a higher level of damage caused by the default.

3.8. Dispatch to the customer will be at the customer’s expense, plus packing costs.

3.9. For public cloud services of third parties, the parties agree on a basic fee for any hardware provided as well as the user fees levied for actual use (“on demand”), which are invoiced to the customer monthly / annually in advance or in arrears according to actual use.

3.10. The customer may only offset or retain payments due to defects insofar as he is entitled to payment claims due to material or legal defects in the service. The customer may withhold payments due to other claims for defects only in proportion to the defect. The customer has no right of retention if the defect claim is time-barred. Moreover, the customer may only offset or exercise a right of retention for undisputed or legally established claims.

3.11. avodaq reserves the ownership and the hereby granted rights to the deliverables until payment in full of the remuneration owed; proven defects in accordance with § 3.10 sentence 2 will be considered. In addition, avodaq reserves ownership
collaboration, duty to cooperate, confidentiality

4.1. The customer and avodaq will each appoint a responsible contact person. Unless otherwise agreed, communication between the customer and avodaq will take place via these contact persons. The contact persons must bring about all decisions relevant to the execution of the contract without delay.

4.2. The customer undertakes to support avodaq, as far as necessary, and to create all conditions necessary for the proper execution of the work in his sphere of operation. Particularly, he shall provide all necessary information and, if possible, enable remote access to the customer's system. Insofar as remote access is not possible for security reasons or other reasons, deadlines will be extended accordingly; for further impacts, the contracting parties will agree on an appropriate regulation.

4.3. Insofar as it is agreed in the contract that services can be performed on site at the customer's premises, the customer shall provide suitable rooms to avodaq upon request, free of charge and secured against entry by unauthorised persons, in particular for the storage of documents, documentation and data carriers, as well as workstations and work equipment.

4.4. Unless otherwise agreed, the customer shall ensure proper data backup and provision for loss of data and components (such as hardware, software) that are appropriate to their nature and importance.

4.5. In the case of service contracts, avodaq is to be notified promptly in writing of any changes to the location of the equipment or systems concerned. If the customer plans to make any changes or additions to the hardware or software included in a service agreement or to their composition, he is to inform avodaq of these plans promptly, so that avodaq can prepare for the changes in good time before they are carried out and, if necessary, offer and prepare an enhanced service. If avodaq does not agree with the measures or if the customer fails to make the notification, the performance obligations of avodaq regarding the hardware and/or software affected by the changes shall cease to apply. This will not affect the service charges to be paid by the customer.

4.6. The customer must notify defects in writing in a comprehensible and detailed form, stating all relevant information for the detection and analysis of defects. He must particularly specify the work steps that led to the occurrence of the defect and the manifestation and effects of the defect. Unless otherwise agreed, the relevant forms and procedures of avodaq will be used.

4.7. The customer shall support avodaq appropriately upon request in reviewing and asserting claims against other parties in connection with the provision of the services. This applies particularly to recourse claims of avodaq against upstream suppliers.

4.8. The contractual partners undertake to maintain secrecy about business and trade secrets, as well as other information designated as confidential which becomes known in connection with the performance of the contract. The transfer of such information to persons who are not involved in the conclusion, implementation or processing of the contract may only be carried out with the written consent of the other contracting party. Unless otherwise agreed, this obligation will end after the expiration of five years from the date the respective information becomes known, but in the case of continuing obligations, not before the end of their term. The contracting parties will also impose these obligations on their employees and any third parties deployed.

4.9. The contracting parties are aware that electronic and unencrypted communication (e.g. by e-mail) is subject to security risks. In this type of communication, they will therefore not assert any claims based on the absence of encryption, except where encryption has been previously agreed.

4.10. The customer is aware that messaging using asynchronous media, such as e-mail or messenger services, is not guaranteed to be reliable. A message is always considered delivered when a receipt has been sent by avodaq and has arrived at the original sender. Particularly in time-critical situations, a personal telephone conversation, not an answering machine, with the responsible authority at avodaq is indispensable.

5. Services

5.1. avodaq is entitled to use the third parties or employees of its choice to fulfill the contract. These persons deployed for the fulfillment of the contract are exclusively subject to the directives of avodaq.

5.2. avodaq will provide the agreed services during the normal business hours of the customer and, if necessary and reasonable, even outside these business hours.
5.3. avodaq reserves the right to make partial deliveries and to issue partial invoices, unless this conflicts with the legitimate interests of the customer.

5.4. avodaq will provide the contractual services, particularly the access to the software, within its area of control (from the data center interface to the Internet). Disruptions or outages to Internet connections do not lie within the responsibility of avodaq. If the software, the intended use and the conditions of use of the contractual services are set out in the respective specifications, supplemented by the operating instructions for the software.

a) Additional services, such as the development of customised solutions or necessary adjustments, require a separate contract.

b) avodaq may provide updated versions of the software.

c) If the provision of an updated version is associated with a price increase, the customer is granted a special right of termination. If the customer tacitly agrees to the update and / or agrees to it by conclusive action, the special right of termination is excluded.

5.5. The availability of the services provided is derived from the specifications.

5.6. In the case of only an insignificant reduction in the suitability of the services for their contractual use, the customer will have no claims due to defects. The strict liability of avodaq for defects that were already present at the time of the conclusion of the contract is excluded.

5.7. As part of its service provision, avodaq can provide products to the customer through third parties. The corresponding rights of use are passed to the customer by avodaq or directly by the third party. In this case, it may be necessary for the customer to conclude a contract with the third party directly – particularly SPLAs (Service Provider Licence Agreements) and EULAs (End User Licence Agreements) or to accept its licence conditions; these may be subject to foreign law. It may also be necessary for the customer to procure certain additional software from third parties himself in order to use the services of avodaq.

5.8. In the legal sense, the customer does not receive guarantees from avodaq. Main unaffected.

5.9. The services of avodaq do not include data transfer. avodaq provides its services at the transfer point in the data center used by avodaq.

§ 6 Handover and transfer of risk

6.1. The risk of accidental loss and accidental deterioration of the goods shall pass to the customer on handover; in the case of sale involving the carriage of goods, upon delivery of the goods to the forwarding agent, the carrier, or any other person or institution (supplier) designated to carry out the shipment. The customer must immediately inspect the delivered goods for defects that were already present at the time of handover.

6.2. Unless otherwise agreed, avodaq may also hand over the objects of performance to the customer by electronic transmission or by providing them for download. If the items of performance are made available for download, avodaq will notify the customer of the provision.

6.3. Insofar as the objects of performance are transmitted electronically, the risk of accidental loss shall pass over to the customer upon receipt at the teleservice provider (provider) commissioned by avodaq with forwarding.

6.4. Insofar as the objects of performance are made available for download, the risk of accidental loss shall be transferred to the customer on provision and notification to the customer.

§ 7 Disruption of service provision

7.1. If a cause for which avodaq is not responsible, including strikes or lockouts, affects adherence to deadlines ("disruption"), the deadlines will be postponed for the duration of the incident, including an appropriate restart period if necessary. A contracting party shall inform the other contracting party without delay of the cause of a disruption occurring in its area and the duration of the delay.

7.2. If expenses increase due to a disruption, avodaq may also demand compensation for the additional expenses, unless the customer is not responsible for the disruption and the cause lies outside his area of responsibility.

7.3. If the customer can (or asserts that he can) withdraw from the contract due to improper performance of avodaq and / or demand compensation instead of performance, the customer will, upon request by avodaq, and within a reasonable period of time, declare in writing whether he will assert these rights or still requires the service. In the event of withdrawal, the customer must reimburse avodaq for the value of previously existing usage options; the same applies to deterioration due to use in accordance with the contract.

7.4. If avodaq defaults in the provision of services, the compensation payable to the customer and reimbursement of his expenses for each full week of delay shall be limited to 0.25 % of the price of the part of the contractual service which cannot be used due to the delay. The default liability is limited to a maximum of 2.5 % of the remuneration for all contractual services affected by the default; for continuing obligations in relation to the remuneration for the services concerned for the full calendar year. In addition, and as a priority, a percentage, agreed on signing the contract, of the remuneration agreed on concluding the contract shall apply. This does not apply, if a delay is due to gross negligence or intent on the part of avodaq.

7.5. In the event of a delay in performance, the customer has the right of withdrawal within the scope of the statutory provisions only if the delay is attributable to avodaq. If the customer asserts compensation for damages or reimbursement of expenses instead of performance to which he is entitled due to the delay, he will be entitled to charge 0.5 % of the price of the part of the contractual service which cannot be used due to the delay for each completed week of delay, but not exceeding 5 % of this price; for continuing obligations in relation to the remuneration for the services concerned for the full calendar year. In addition, and as a priority, a percentage, agreed on signing the contract, of the remuneration agreed on concluding the contract shall apply.

§ 8 Material defects and reimbursement of expenses

8.1. avodaq guarantees the contractually owed quality of the services. No claims for material defects exist for an insignificant deviation of avodaq’s services from the contractual quality. Claims for defects also do not exist in case of excessive or improper use, natural wear and tear, failure of components of the system environment, software defects that are not reproducing or otherwise demonstrable by the customer, or damage resulting from special external influences for which the contract made no provision. This also applies to subsequent changes or repairs by the customer or third parties, unless these do not make the analysis and elimination of a material defect more difficult.

8.2. The period of limitation for claims for defects is one year from the beginning of the statutory limitation period. The statutory periods for recourse pursuant to § 478 BGB [Civil Code] shall remain unaffected. The same applies insofar as the law stipulates longer periods in accordance with § 438 para. 1 no. 2 or § 634a para. 1 no. 2 BGB [Civil Code], in case of intentional or grossly negligent breach of obligation by avodaq, fraudulent concealment of a defect and in cases of injury to life, limb or health, as well as claims under the Product Liability Act.

The processing by avodaq of a declaration of defect by the customer cannot only lead to a suspension of the limitation period insofar as the legal conditions for this exist. The limitation period shall not recommence for this reason. Subsequent performance (new delivery or repair) can only have an influence on the limitation period of the defect causing the subsequent performance.
8.3. Avodaq may demand reimbursement of its expenses to the extent that:
   a) It acts based on a report where no defect is present, unless the customer was unable to recognise with reasonable precautions that there was no defect; or
   b) A reported disruption is not reproducible or otherwise demonstrable by the customer as a defect, or
   c) Additional expenses arise due to improper fulfilment of the customer’s obligations.

8.4. If rights of third parties are violated by the performance of avodaq’s services, avodaq will, at its own discretion and expense:
   a) Obtain the right to use the service for the customer, or
   b) Render the service in such a way that no rights are infringed upon, or
   c) Take back the service, reimbursing the payment made by the customer (minus a reasonable compensation for use), if avodaq cannot provide any other remedy with reasonable effort.

The interests of the customer shall be taken into due consideration.

§ 9 Defects in title
9.1. Avodaq shall only be liable for violations of third-party rights due to its performance to the extent that the service is used unchanged in accordance with the contract and particularly, in the operating environment contractually agreed upon or otherwise planned.

9.2. Avodaq shall be liable for violations of rights of third parties only within the European Union and the European Economic Area and at the place of contractual usage of the service. § 10.1 sentence 1 shall apply accordingly.

9.3. If a third party asserts to the customer that a service of avodaq violates its rights, the customer shall notify avodaq immediately. Avodaq and possibly its upstream suppliers are entitled, but not obliged, to the extent permitted, to defend the claims asserted at their own expense.

9.4. The customer is not entitled to acknowledge third party claims before giving avodaq adequate opportunity to defend itself against the rights of third parties in another way.

§ 10 Liability
10.1. Avodaq shall always be liable to the customer:
   a) For intentional or grossly negligent damage caused by it and its legal representatives or vicarious agents,
   b) Pursuant to the Product Liability Act,
   c) For damages resulting from injury to life, limb or health that avodaq, its legal representatives or vicarious agents are responsible for.

10.2. In case of slight negligence, avodaq shall not be liable unless it has violated a material contractual obligation, where the proper execution of the contract is only possible at all by the fulfilment of this obligation, or where its violation jeopardises the achievement of the purpose of the contract, and where the customer can regularly rely on compliance with this obligation. This liability shall be limited in the case of damage to property and pecuniary damage to the contractually typical and foreseeable damage. This also applies to lost profits and lost savings. Liability for other remote consequential damages is excluded.

For a single loss-entailing event, liability shall be limited to the contract value; for ongoing remuneration, to the amount of the remuneration per contract year. § 10.2 applies accordingly to the limitation period. The contracting parties may agree on further liability in writing on conclusion of the contract, usually in return for a separate fee. The priority is an individually agreed sum of liability. The liability according to § 10.1 remains unaffected by this paragraph.

In addition, and as a priority, the total liability of avodaq for slight negligence from the respective contract and its implementation for damages and reimbursement of expenses, irrespective of the legal reason, is limited to the percentage agreed in this contract. The liability according to § 1 b) remains unaffected by this paragraph.

10.3. If data or components (such as hardware, software) need to be restored, avodaq shall only be liable for the expenses required for restoration in the event of proper data backup and precautionary measures taken by the customer. In the event of slight negligence by avodaq, this liability shall only be incurred, if the customer has carried out a data backup and precautionary measures appropriate to the nature of the data and components prior to the disruptive incident. This does not apply insofar as this has been agreed as performance by avodaq.

10.4. §§ 10.1 to 10.3 shall apply accordingly for claims for reimbursement of expenses and other liability claims of the customer against avodaq, §§ 7.4 and 7.5 shall remain unaffected.

§ 11 Licence and copyrights
11.1. The customer must have or must acquire the licence rights for software to be installed during a release upgrade.

11.2. The customer will familiarise himself with the licence requirements, usage rights and the licence and contractual conditions of the software manufacturers before concluding the contract and will contact avodaq in case of doubt. The customer hereby undertakes towards avodaq to comply with the licence and contractual conditions of the software manufacturers. The respective valid licence and contractual conditions of the software manufacturers can be consulted directly on the websites of the respective manufacturers. The same applies to copyright conditions.

11.3. The customer is entitled to use the programmes, drawings, process descriptions and other documents provided to him for the execution of the contract for the contractually intended use. All copyrights and further rights of use shall remain with avodaq, or possibly with the manufacturer. Any use beyond the necessary contractual use, duplication and transfer to third parties is not permitted to the customer.

11.4. If a copyright arises through the services of avodaq, the customer shall receive a simple, non-transferable right of use within the framework of his business operations.

11.5. The transfer of ownership, copyrights and usage rights will only take place against the payment of appropriate compensation.

§ 12 Data protection and data security
12.1. Avodaq is committed to complying with the legal provisions governing data protection. Avodaq shall also impose this obligation on the persons it employs (employees, subcontractors, third parties) to fulfil its obligations.

12.2. The customer shall conclude the necessary data protection agreements with avodaq for the handling of personal data.

§ 13 Contractual term and termination of contract
13.1. The performance of the contractually agreed services shall be carried out from the date specified in the contract, initially for the duration of the contractually agreed term. During this minimum term, early cancellation is excluded for both sides.

13.2. The contract may be cancelled by giving a notice period of three months, at the earliest at the end of the minimum term. If this does not happen, the contract will be renewed for another year, unless it has been duly cancelled, giving a notice period of 3 months to the end of the respective extension period.

13.3. If the contract is concluded for an indefinite period, it may be cancelled by giving a notice period of 3 months to the end of a calendar year. This cancellation is possible for the first time at the end of the calendar year following the conclusion of the contract. An agreed minimum term shall remain unaffected by this termination right.

13.4. The right to extraordinary cancellation for a significant reason remains unaffected. A significant reason is given especially, if...
a) The customer commits a serious breach of his contractual obligations,
b) The customer becomes insolvent,
c) Enforcement measures have been instituted against him,
d) An application for insolvency proceedings has been filed against the assets of the customer.

13.5. Each declaration of cancellation requires written form to be effective.

13.6. With the termination of the contract - for whatever legal reason - the usage rights and licences granted in the context of the provision of services by avodaq or third parties and the connection to the data centre of avodaq or third parties are barred. Upon cancellation of individual services as well as upon cancellation of the entire contractual relationship, the deletion of all customer data affected by the respective cancellation shall take place after the expiry of 30 calendar days from the effective date of the cancellation. In the case of partial cancellation, the data belonging to the respective service of avodaq or third parties, and upon cancellation of the entire contract, all usage and product data (e.g. e-mails, databases, contents of folders, etc.), shall be deleted.

13.7. The customer shall secure his data under his own responsibility in good time before the ending of the contract, for example by downloading and / or performing a data backup via his user account on a suitable data carrier and / or the customer server or shall commission avodaq in good time before expiry of the specified 30-day period to perform a backup, against separate payment. Upon request, avodaq will support the customer with the above for a reasonable fee.

13.8. Due to reasons of the order data processing regulations, there will generally be no further possibility to access this data by the customer after the termination of the contract.

13.9. avodaq will erase the data and access codes after expiry of the statutory retention obligations.

§ 14 Final provisions

14.1. The customer shall allow avodaq to name it by name as a reference.

14.2. avodaq shall be entitled to have the contract executed as a whole or in part by third parties, unless the customer expressly objects to this, stating significant reasons.

14.3. The assignment of rights and claims under the contract requires the prior written consent of the other contracting party. The assignment of remuneration claims by avodaq is excluded.

14.4. Amendments and supplements to the contract must be in writing, as well as the waiver of written form itself. Written form is only valid if amendments or supplements to the contract are designated as such, laid down in writing and furnished with a legally binding signature by both parties.

14.5. The place of jurisdiction for a merchant, a legal entity under public law or a special fund under public law is the registered office of avodaq AG. avodaq AG may also sue the customer at his registered office.

14.6. Should individual provisions of these terms and conditions be or become invalid as a whole or in part, this shall not affect the validity of the remaining provisions. In this case, the contracting parties undertake to interpret and structure the provisions in such a way that the commercial success intended by the void or legally ineffective parts is achieved as far as possible.

14.7. German law shall apply. The application of the UN Sales Convention is excluded.