



General Terms and Conditions Regarding Use of Microsoft Dynamics 365 for Finance and Operations Serbian Localization

1. Enactment and Scope of Application

This General Terms and Conditions (hereinafter "General Terms") have entered into force on the date 01.08.2020.

This General Terms shall refer exclusively to Serbian localization software in Microsoft Dynamics 365 for Finance and Operations (further in this document referred to as D365FO) and shall define functional characteristics of aforementioned localization software, as well as licensing terms by and between (i) company BE-terna d.o.o. Beograd (hereinafter "BE-terna" or "Producer"), on one side, which had, in agreement with authorized entity of Microsoft corporation, developed localization software with the purpose of selling it as its own proprietary product, and (ii) You, as the end user, that is purchaser of localization software with right to use it and update it (hereinafter "User"), on the other side.

Standard version User of D365FO acquires the right to use BE-terna localization software for aforementioned program version by entering into agreement with BE-terna or any Microsoft Dynamics partner (hereinafter "Partners" and "User agreement") whereby accepting licensing terms regarding BE-terna's localization software for D365FO version as stipulated herein.

For the avoidance of doubt, term "User agreement" shall mean and include by the User signed and delivered, and by the BE-terna issued offer, accepted purchase order or other substantially similar document issued by the User, acceptance of which constitutes obligation of BE-terna towards the User in terms of assigning the right to use respective Serbian localization.

2. Definitions

"Standard D365FO product version" (hereinafter "Standard version") shall mean version of program solution Microsoft Dynamics 365 for Finance and Operations, including all functionalities, program code, manuals and user documentation related to version of aforementioned program solution produced by Microsoft corporation as developer of original product, as existing in the moment of entering into the User agreement.

"New version of D365FO product" (hereinafter "New version") shall mean new version of program solution Microsoft Dynamics 365 for Finance and Operations, or comparable Microsoft product of different commercial name which may follow in time and shall functionally replace the Standard version (product version), including all functionalities, program code, manuals and user documentation related to version of aforementioned new program solution produced by Microsoft corporation as developer of original product. For the avoidance of doubt, aforementioned definition shall not include D365FO, so called, *product releases* available on the market after the Standard versions.

"Microsoft Dynamics Localization" (hereinafter "Localization") shall mean, within Standard version owned by Microsoft corporation, integrated software add-on, i.e. integrated program code developed and owned by BE-terna which provides Serbian locally relevant functionalities, language characteristics and user manuals which are not included in the Standard version, as cited in this General Terms. For the purposes of this General Terms initial version of the Localization shall represent one defined within the User agreement.

"Partner" (hereinafter "Partner") shall mean any participant of *BE-terna Microsoft Dynamics Affiliate Partnership* or any other person or entity which, regardless of aforementioned BE-terna Partnership, acquired the right to assign the right of use of Localization to the User pursuant to separate agreement with BE-terna according to stipulated terms and conditions.

"Annual Localization Upgrade" shall mean BE-terna's annual Localization upgrade service pursuant to the terms and conditions defined by Microsoft and BE-terna, which represents constituent part of Microsoft Enhancement Plan applying to the Standard and/or New version.

3. Localization Specifications

Detailed specifications of functionalities and other features supported by the Localization is available in a separate document.

BE-terna reserves the right to amend the functionalities and features supported by the Localization, on which fact it shall notify the User in written form (email message), at the latest 30 days prior to enactment of respective amendment. As exemption of aforementioned obligation, amendments which are not detrimental to User's interest (e.g. reduction of the scope of individual obligation, removal of certain functionality) BE-terna may apply instantaneously without further delay and notification delivery to the User.

If document from first part of this Article does not state otherwise, Localization shall support following features stated below:

A. Functionalities

- A 1. Support for compliance with legal requirements for doing business in the Republic of Serbia referring to value added tax, excluding financial sector market participants,
- A 2. Support for keeping the accounting books in compliance with Serbian accounting standards referring to majority of companies on territory of the Republic of Serbia, excluding organizations and other budgetary users, as well as obligatories of budgetary accounting rules,
- A 3. Support for payment transactions to companies outside the financial sector in business relations with major business banks in Serbia (of market share above 7%).

B. Language Features

- B 1. Serbian translation of more than 95% application labels of key functionalities visible on screen of the Microsoft Dynamics Standard version, available to end users in form and settings of the screen template and process execution foreseen in the Standard version.
- B 2. English translation of Localization application labels.

C. Technical Features

- C 1. Localization functionalities have been developed pursuant to standard practice and recommendations of Microsoft. Installation requires manual merge of program code.
- C 2. Serbian translation of application labels in Standard version respects language code designation recommended by Microsoft. All rights for Localization use, besides license for the use of Standard version, must be additionally obtained by the User during acquisition of usage rights pertaining to aforementioned program version.

D. Functional Features and Products Excluded from Localization

- D 1. All reports specific for financial institutions (insurance and reinsurance companies, commercial banks, savings banks, building societies banks, funds, etc).
- D 2. All reports specific for public institutions, public companies, societies of persons with special needs and health conditions, organizations of obligatories of budgetary accounting rules, etc.
- D 3. All reports for specific type of business, production and logistic processes.

- D 4. All reports to Customs service with Ministry of Finance related to customs warehouses and/or excise duties.
- D 5. Different forms of electronic data exchange between companies, e.g. EDI, e-invoice (separate functional entity which requires acquisition of separate BE-terna license).
- D 6. Calculation of salaries and personnel records required by local regulatory framework (separate functional entity which requires acquisition of separate BE-terna license).
- D 7. Interfaces with other applications and web services, excluding domestic payment transactions services and other functionalities explicitly cited in Serbian language document with the detailed specification of the localization functionalities.
- D 8. Translation of Microsoft documentation and help files, unless BE-terna estimates it to be reasonable.
- D 9. All other functionalities which are not explicitly cited in this General Terms or documents invoked by this General Terms.

Localization Update

BE-terna undertakes towards the User to update the Localization, at the latest, 30 days as of publication or enactment of from time-to-time amended legislature, with purpose of fully complying with amended legal framework, subject to cumulative fulfillment of preconditions stated below:

- a. amendments encompass scope cited in item 3.A. of this General Terms,
- b. amendments are relevant to majority of Serbian business entities,
- c. it is not possible to support respective amendments within a reasonable time frame with other work-around tools and solutions (e.g. export to Excel and emergency data processing, manual input in public web portal once a year), and
- d. amendments are supported in majority of other comparable business-information tools.

In event of vague and doubtful interpretations of legal amendments, until such time unified interpretation of amended legislature has been reached, BE-terna reserves the right to provide a support up to a certain (incomplete) level, with obligation to provide full support and full functionality in a reasonable time frame as of acceptance of unified interpretation of respective legal amendments.

Upon publication of the New version and within BE-terna localization update regime, BE-terna shall provide localization for the New version in time frame and under the conditions cited in official BE-terna web page.

Although has no obligation, BE-terna may, according to its sole discretion, provide localization for subsequently published release of any Standard or New version in time frame and under the conditions cited in the document available on the web link specified in previous article.

The User is entitled to a new version of localization without any additional charges provided and during time it is active licensee of, cumulatively, Standard version Microsoft license and user license for Localization, including herein active update rights (Enhancement Plan and Annual Localization Upgrade).

As results of update process, new version of Localization shall be available to the User via Partner or BE-terna (if BE-terna is User's registered Microsoft Dynamics partner), in a form of new object of program code. Localization update right shall under no circumstance include any form of implementation or similar services by BE-terna, as Localization producer, or Microsoft, as Standard version producer, nor adjustments

of Localization undertaken by or under instruction of Partner and/or User, regardless of the purpose or reason of adjustments.

5. Intellectual Property Rights / Licensing

BE-terna is exclusive owner of all intellectual property rights pertaining to functionalities, translations and user manuals, as well as other components being part of Localization, including all updates cited in Art. 4 of this General Terms.

By entering into the User agreement with BE-terna or any Partner, as well as simultaneous application of this General Terms, and taking over the program code as foreseen by the User agreement and this General Terms, the User acquires nonexclusive, nontransferable and timewise unrestricted right to use the Localization and, subject to fulfillment of herein define preconditions, the update right, for its own commercial use, including and provided so agreed, the right to use the Localization in all affiliated entities in which he/she holds more than 50% of the share interest, all for limited number of users defined in User license agreement for the Standard version, under the terms of the licencing agreement of the Standard version.

The User is entitled to perform Localization amendments and updates exclusively for its own use and under its own risk exclusively in the program layer provided for user development, subject to obtaining respective Microsoft licensing right for Standard version.

For the avoidance of doubt and regardless of previous paragraph of this Article, the User may use Localization exclusively provided he/she has obtained license for the Standard version from Microsoft and valid licence for the Localization from BE-terna.

The User represents and warrants that all its employees, as well as its external associates, that have or had access to Microsoft Dynamics solution, are familiar with intellectual property rights referring to the Localization. In event the User performs activities of internal software development or maintenance for which reasons its employees or external associates had direct access to program code of the Localization, the User bears responsibility that all such employees or external associates sign special statement which represent integral part of this General Terms, by which they represent and warrant to be aware of intellectual property rights with respect to the Localization and undertake to protect it under obligation of compensation of damages. If aforementioned statement has not been signed and, simultaneously, intellectual property rights infringement regarding the Localization occurred, the User shall be responsible for entire caused damage jointly and severally with the injuror.

6. Localization and Update Fees

Fee for use of initial version of the Localization (license fee) and its update is payable immediately according to, at that time, applicable BE-terna's tariff, except provided differently in the User agreement.

Fee for the Localization's initial year update right shall be invoiced immediately upon conclusion of the User agreement between the User and BE-terna or Partner, and simultaneously with initial version Localization annual license fee; whereby first year of update right commences as of Localization registration date within license for the Standard version of D365FO solution. Localization update fee for existing year shall be invoiced at its beginning.

At the latest 30 days prior to expiry of the first or any subsequent year, the User may by written request from BE-terna or Partner, depending on the User agreement designated contracting party, demand termination of further Localization update right, otherwise it shall be considered that Localization update

right has been extended for another one-year period. If the User, that had renounced further Localization update right, wishes to recommit itself to the Localization update regime on a later date, he/she shall have the obligation to, upon recommitment to the update regime, applying the *pro rata* principle, settle Localization update fee for entire period of absence from the update regime in the amount cited in, at that time, applicable BE-terna's tariff.

At BE-terna's written request, the User undertakes to, furnish to BE-terna all information on amendments of the license rights for the Standard version, on discrepancies between the User agreement with the Partner and this General Terms, on all payments regarding the Localization use and update pursuant to the User agreement with the Partner, on legally permissible commerce between Partners (as custodians), as well as other questions which directly correlates to BE-terna 's rights under this General Terms.

7. Localization Services

Localization use and update rights pursuant to this General Terms under no circumstances imply, include or provide to the User any right to request from BE-terna free of charge or against remuneration execution of related services of implementation, e.g. program code combining, migration, adjustments, education, support and other services, potentially necessary for the Localization use. Aforementioned services Partner may provide to the User within its User agreement acquired rights granting Localization license for use and update or by entering into separate agreement. Aforementioned services BE-terna may provide to the User only subject to entering into separate agreement.

8. Guarantee and Limitation of Liability

During the period of active user license for the Standard version and Localization, including herein Microsoft Enhancement Plan and BE-terna's Annual Localization Upgrade in version supported pursuant to Art. 4 hereof, BE-terna undertakes to rectify all hidden imperfections of the Localization's program code within reasonable time frame as of Partner, also contracting party of the User in the User agreement, or User him/herself in event BE-terna being his/her registered Microsoft Dynamics partner, had notified BE-terna on respective malfunction, and provided User has described the malfunction to the level possible to provoke its reappearance on the Standard version with current Localization version installed. Aforementioned malfunction shall be rectified by way of producing new version of Localization that shall be made available to the User or Partner. The manufacturer is not obligated to rectify any malfunction caused by User's or Partner's amendments introduced to the Localization or third-party software installation.

The Producer shall assume no liability for monitoring or interpretation of legislative framework outside the scope defined in item 3.A of this General Terms. Users included in update regime cited in Art. 4 of this General Terms, in spirit of good cooperation, BE-terna may voluntarily and free of charge notify on respective legislative amendments, although such notifications shall involve no liability on the part of BE-terna whatsoever.

BE-terna shall assume no liability for proper and accurate functioning of Localization in terms of accuracy of accounting and tax records produced, and other reports, as well as potential loss of data caused by or linked to Localization use. The User undertakes to individually ensure all necessary steps to verify accuracy and completeness of accounting and tax records produced, other reports produced by Localization use, as well as to make backup (safety) copy of all relevant financial data and reports.

BE-terna assumes solely responsibility for ordinary and immediate property damage caused to the User intentionally or by gross negligence. BE-terna shall not be held responsible for property damaged caused by ordinary negligence, profit loss, non-pecuniary damage, or any type of indirect damage.

Total liability of BE-terna towards the User for any and all damages pursuant to this General Terms shall be limited to the amount of fee for Localization use and update which the User has settled pursuant to item 6 of this General Terms in last twelve months.

9. Application of BE-terna's General Terms of Business

In part not defined otherwise by this General Terms and in parallel to this General Terms, BE-terna's General Terms of Business shall be fully applicable to the User agreement. In event of discrepancies between BE-terna's General Terms of Business and this General Terms with respect of Localization, the last mentioned shall prevail.

10. Governing Law and Dispute Resolution

Any and all disputes arising out of or in connection with this General Terms shall exclusively and finally be settled by the competent court in Beograd.

Unless otherwise agreed, even if contractual obligations are fulfilled abroad, this General Terms shall be governed by and construed in accordance with the laws of the Republic of Serbia. Application of United Nations Convention on Contracts for the International Sale of Goods (CISG) is explicitly excluded.

This Letter of Intent is drawn up and entered into in the English and Serbian language. In event of dispute, the Serbian language version shall prevail