

DIRECTO BUSINESS SOFTWARE DISTRIBUTION – GENERAL TERMS

Effective date: 01.01.2025

1. Application of the general terms. These general terms of distribution of Directo business software (hereinafter the **General Terms**) apply to all transactions between Directo OÜ (registry code 10652749; seat at Mõisa 4, Tallinn, 13522 Estonia, hereinafter **Directo**) and the distributor of its service.

2. Definitions.

2.1. In these General Terms:

2.1.1. **Agreement** means the agreement for the distribution of Directo's Service, consisting of the Main Terms, the General Terms and other documents annexed to the Agreement;

2.1.2. **End Customer** means the Distributor's customer who has concluded an agreement with the Distributor for the use of the Service or to whom the Distributor provides accounting services using the Service;

2.1.3. **Distributor** means a legal entity that distributes the Service to its own end customers;

2.1.4. **Party** means Directo or the Distributor separately;

2.1.5. **Parties** means Directo and the Distributor together;

3. Service includes the use of Directo business software and related functionalities, extensions, interfaces and other ancillary services, including accounting software, payroll and HR software, sales software, warehouse and logistics software, project management software, production software and work management software. The description of the possible functionalities of the Service is available at directo.ee/voimalused;

3.1.1. **Main Terms** means the part of the Agreement which sets out the conclusion of the Agreement, the application of the General Terms and other terms and conditions.

4. Object of agreement. Under the Agreement, Directo grants to the Distributor a non-exclusive and non-transferable right to market, sell and deploy the Service to the Distributor's End Customers and a right to use the Service itself for the purpose of providing accounting services to its End Customers, subject to the terms and conditions of the Agreement.

Directo generally provides the Service on a SaaS model, i.e. the Service is made available on a server provided by Directo, subject to reasonable usage restrictions.

5. Right of distribution. The Distributor acts independently of Directo and concludes agreements with End Customers to provide the Service in its own name and on its own account. The Distributor is fully and solely responsible for concluding and performing the agreements with End Customers and for providing support services to End Customers. Directo reserves the right to appoint other distributors. Directo also retains the right to provide the Service itself. The Agreement does not prevent the Distributor from offering the Service together with any other products or services of its own.

6. Rights and obligations of the Parties.

6.1. The Distributor shall:

6.1.1. not present itself as an authorised representative, agent or other type of legal representative of Directo or enter into any binding agreements on behalf of Directo;

6.1.2. not provide false or misleading information about the Service, including warranties, promises or guarantees, which do not correspond to the actual characteristics of the Service;

6.1.3. ensure that the Distributor's employees acquire sufficient knowledge of the functionalities of the Service and the skills to deploy Directo business software to a high standard;

6.2. Directo shall:

6.2.1. grant the Distributor a non-exclusive and non-transferable right to market, sell and deploy the Service to the Distributor's End Customers and a right to use the Service itself for the purpose of providing accounting services to its End Customers, subject to the terms and conditions of the Agreement;

6.2.2. provide the Service on Directo's server in accordance with the terms and conditions of the Agreement.

7. Administrator rights. Directo will grant access to the Service to a Distributor's user who has administrator rights and is authorised to make the Service available to End Customers on behalf of the Distributor. Directo will confirm any changes to the Service requested by the Distributor by confirmation letter in at least a format that can be reproduced in writing (e.g. by invoice, e-mail or through self-service). The confirmation letter amends the Agreement between Directo and the Distributor. The Distributor undertakes to maintain the confidentiality of passwords and other access credentials to the administrator's rights.

8. Price list and invoicing. The distribution of Directo's Service is subject to the price list available at the address indicated in the Main Terms. Directo may amend the price list annually or less frequently by giving the Distributor reasonable notice of the changes to the contacts provided by the Distributor. Changes to the price list will take effect on the date specified in the notice. Notwithstanding the foregoing, Directo may at any time add additional features to the Service and amend the price list accordingly without notice to the Distributor.

Directo will charge a fee for the distribution right based on the volume of Service requested by the Distributor and made available to the Distributor during the relevant accounting period, irrespective of the actual use of the Service. The Distributor shall pay for the Service monthly within 10 calendar days of the date of the invoice, unless otherwise stated in the Main Terms or on the invoice. Any prepayments made by the Distributor are non-refundable.

In case of late payment, Directo shall be entitled to charge late interest on the overdue amount at the rate of 0.2% for each day of delay until the debt is paid in full. If the Distributor delays payment of an invoice for 30 calendar days or more, Directo has the right to restrict the Distributor's and End Customers' access to the Service until the debt is paid in full.

9. End Customer price list and invoicing. The Distributor shall independently determine the fees to be charged to End Customers for the Service. Directo has no authority or responsibility to determine the fees to be charged to End Customers. Directo is not responsible for invoicing End Customers or collecting any fees from them. The current indicative fees to be charged to End Customers for the Service are available at <https://directo.ee/prices>.

10. Service quality. Directo will make all reasonable efforts to ensure the highest quality and security of the Service, but Directo provides no warranty that (i) the Service is uninterrupted, error-free or secure; (ii) the Service is compatible with all hardware and software configurations; (iii) the Service meets all of the Distributor's or its End Customers' requirements and needs; or (iv) the deployment, documentation or manuals for the Service are complete and error-free. Directo makes no other promises and any other promises regarding the Service are excluded, including, but not limited to, any promises as to the suitability or fitness of the Service for a particular purpose.

The availability of the Service may be occasionally interrupted due to certain technical limitations or maintenance. Directo will make all reasonable efforts to notify the Distributor of such interruptions well in advance and, if possible, shall carry out maintenance outside normal business hours so as to minimise the potential impact of such interruptions on the Distributor's

business. The Parties agree that scheduled maintenance of the Service shall be carried out nightly between 01:00 and 05:00 Estonian local time and the Service may be unavailable during that time. The Distributor is not entitled to a fee reduction due to interruptions during the maintenance period.

If Directo is in culpable breach of the Agreement and access to or use of the Service is fully blocked as a result of such breach, the fee for the relevant Service will be reduced by 0.15% for each full hour during which access to or use of the Service was fully blocked.

11. Customer support. In distributing the Service, the Distributor undertakes to establish and maintain an efficient customer support service for End Customers, including telephone and e-mail user support during normal business hours. The Distributor undertakes to ensure that the user support agents acquire sufficient knowledge of the functionalities of the Service.

Directo will only provide customer support to the Distributor only to correct faults in the Service. Directo will not provide any training to the Distributor or End Customers on the use of the Service or personal consultation as part of its customer support. Directo's customer support e-mail address, helpline and working hours are available at [directo.ee](mailto:info@directo.ee).

Directo will resolve failures in the following order according to the number of End Customers affected by the failure:

Severity	Definition	Estimated time of resolution
Level 1 – Critical	A general failure that prevents all End Customers from accessing or using the Service	As soon as possible after receiving an error message
Level 2 – Major	A failure of the Service that prevents one or more End Customers from accessing or using the Service	In running order after critical failures have been resolved
Level 3 – Minor	Partial non-availability or limitations of the Service to one or more End Customers, which does not prevent the End Customer from accessing or using the Service	As part of ongoing software upgrades after critical and major failures have been resolved

12. Limitations of liability. To the extent permitted by applicable law, Directo shall not be liable for any loss of profit, loss of data or other direct or indirect loss or damage incurred by the Distributor. Directo shall only be liable for direct pecuniary loss caused by a culpable breach leading to a complete unavailability of the Service. To the extent permitted by applicable law, Directo shall not be liable for any claims of third parties (e.g. the Distributor's End Customers) relating to the Service.

Among others, Directo shall not be liable for any damage, loss of profit, expenses or other consequences incurred by the Distributor due to (i) the Distributor's or its End Customers' inability to use the Service with certain hardware or software configurations, (ii) unauthorized access to the Distributor's or its End Customers' data or alteration, loss or deletion of data, (iii) partial unavailability of the Service, error or computer virus transmitted through the Service, or (iv) errors or omissions in Service deployment, documentation or manuals.

The limitations and exclusions of liability set out in the Agreement shall not apply in cases and to the extent that applicable law does not allow liability to be limited or excluded, including in the case of Directo's intentional breach.

The Distributor agrees to indemnify Directo against all losses and expenses (including compensation relating to any claims) incurred by Directo arising from the Distributor's breach of the Agreement, the Distributor's or End Customers' data (including viruses and other malicious code) transmitted through the Service, the breach of the requirements for processing personal data, the infringement of intellectual property or any other third party rights.

13. Processing of personal data. Directo provides the Service in compliance with applicable data protection legislation (including the EU General Data Protection Regulation). Information on the terms and conditions of data protection is available at directo.ee/andmekaitsetingimused, which apply to the extent that Directo processes personal data as a controller.

In connection with the performance of the Agreement, Directo may process the End Customers' personal data as a processor on behalf of the Distributor. In such case, the personal data shall be processed in accordance with the personal data processing agreement, if applicable.

The Distributor warrants that it has the necessary rights to disclose, transfer and process the data in connection with providing Directo's Service to the End Customers.

14. Prohibited activities. The Distributor and the End Customers are prohibited from using the Service for any unlawful, harmful, misleading, deceptive, fraudulent or otherwise inappropriate purpose. The Distributor and the End Customers are prohibited from transmitting material or content that contains viruses or other malicious code. The Distributor shall not use a single Directo Service database to conduct the business of multiple legal entities.

15. End Customer's data. To the extent necessary for the provision of the Service, the Distributor grants Directo a free non-exclusive licence to use, reproduce and otherwise process the data belonging to the Distributor's End Customer that is held by Directo. The Distributor confirms that it holds the rights necessary for granting such non-exclusive licence. Directo backs up the data stored in the Service on a daily basis and retains it for at least 7 calendar days, except for attachments added by the End Customer and stored by Directo, for which backups are retained for 24 hours.

Directo will allow the downloading of data belonging to the End Customer and held by Directo during the term of the Agreement. Directo may charge an additional fee for the transfer of a complete copy of the data during the term of the Agreement.

The Distributor has the right to request, within three months from the termination of the Agreement, the transfer of data belonging to the End Customer and held by Directo in electronic machine-readable format, except for attachments held by Directo, which can be downloaded from Directo by the End Customer before the termination of the Agreement. If the right to transfer the data has not been exercised within six months of the closure of the relevant End Customer's database, Directo shall be entitled to delete the data without transferring it. Directo reserves the right to refuse to transfer the data until any debt owed by the Distributor has been paid in full.

The Distributor is responsible for the compliance of the End Customer's data with the Agreement, the rights of third parties and applicable law. Directo may, without prior notice, delete any of the End Customer's data at its sole discretion if the data is in breach of the Agreement, the rights of third parties or applicable law.

16. Transfers of End Customer's data. The End Customer's data will not be disclosed to third parties without the consent of the Distributor or the End Customer, except where this is necessary for the provision of the Service, the performance of the Agreement and other agreements between Directo and the Distributor, or where disclosure is necessary to comply with a request from a competent authority.

Directo keeps the End Customers' data confidential from third parties. The Distributor agrees that in certain circumstances, Directo may be permitted to disclose certain End Customer data to the relevant End Customer who is entitled to access such data.

17. Intellectual property. The intellectual property rights in Directo business software and all materials relating to the provision of the Service (including know-how) and any modifications, enhancements or derivative works remain in Directo's full ownership.

Under the Agreement, Directo grants the Distributor a right to make the Service available to the Distributor's End Customers as a service. The Distributor and the Distributor's End Customer are prohibited from: (i) modifying, processing, reverse engineering, copying, selling, renting or otherwise distributing any software included in the Service or any materials related to the Service; or (ii) accessing the content and structure of the source code of the Service.

Directo grants the Distributor a limited, non-exclusive, non-sublicensable license to use Directo's trademarks and deployment resources, documentation or manuals for the purpose of marketing the Service. The Distributor may use Directo's trademarks and materials only in connection with the provision of the Service to End Customers and only in strict accordance with Directo's instructions.

18. Confidentiality. The Parties are prohibited from disclosing to third parties any information relating to the Agreement and the performance of the Agreement, any information relating to the other Party's business or other activities, and any information relating to intellectual property disclosed or made known to the Party in the course of pre-contractual negotiations or performance of the Agreement, except:

- (i) information which was in the public domain or was already known to the Party before it was disclosed by the other Party; or
- (ii) which the Party subsequently lawfully obtained from a third party;
- (iii) where disclosure is necessary to achieve the purpose of the Agreement or is required by law or an order of a court or other competent authority.

The Distributor is obliged to ensure that its agents, employees and users who have access to confidential information are informed of the confidentiality obligation and are bound by a confidentiality obligation at least equivalent to that laid down in the General Terms.

The confidentiality obligation applies for the duration of this Agreement and for ten (10) years after termination of the Agreement, and shall continue indefinitely thereafter.

19. Term and termination. Unless otherwise agreed in the Agreement, the Agreement shall remain in force for an unlimited period of time after signature.

Either Party may terminate the Agreement at any time without cause by giving the other Party at least two calendar months' notice in writing.

In the event of repeated or material breach of the Agreement by the other Party, either Party shall have the right to terminate the Agreement without notice by sending the other Party a notice of termination in at least a form that can be reproduced in writing. The Parties agree that material breaches include, but are not limited to, the following:

- (i) the Distributor is more than 30 calendar days late in paying for the Service;
- (ii) the Service cannot be accessed or used for more than 60 consecutive calendar days due to Directo's culpable breach;
- (iii) the other Party terminates or intends to terminate its activities, or the other Party is the subject of liquidation, bankruptcy or reorganisation proceedings, or the other Party itself files for liquidation, bankruptcy or reorganisation.

The Agreement shall terminate automatically if the Distributor has not ordered any of the services offered by Directo for a period of three consecutive months.

20. Consequences of termination. Upon termination of the Agreement, the Distributor shall lose the right to distribute the Service and Directo shall restrict both the Distributor's and the Distributor's End Customers' access to the Service.

All provisions of the Agreement which are intended to survive the expiry or termination of the Agreement shall survive such expiry or termination to the extent permitted by law. Termination or expiry of the Agreement will not affect the rights and obligations of the Parties accrued prior to the date of termination or expiry.

21. End Customer migration. At the expiry or termination of this Agreement or the agreement between the Distributor and the End Customer, the Distributor shall provide the End Customer with the necessary information and reasonable assistance to migrate the End Customer and the End Customer's data to a new service provider of the End Customer's choice. Reasonable assistance shall include, but not be limited to, transferring the End Customer's data in an electronic machine-readable format, with the exception of data stored by Directo, which must be downloaded from Directo by the End Customer prior to termination. The purpose of providing such information and assistance is to enable the End Customer to continue to use the services without interruption or negative effects. If the Distributor breaches the obligation set out in this clause, Directo may itself provide the End Customer with information and assistance to migrate the services.

22. Amendments of the General Terms. Directo reserves the right to amend the General Terms, in particular, if such amendments are necessary to comply with legal obligations or due to changes in Directo's Service or business. Directo shall notify the Distributor of any changes via the contact details provided by the Distributor within a reasonable period of time in advance. Unless otherwise provided, the amendments shall take effect as of notification to the Distributor. If the Distributor does not accept the amendments, it may lose the possibility to distribute the Service to End Customers.

23. Applicable law and dispute settlement. This Agreement and the documents related to the Agreement and their interpretation shall be governed by the laws of the Republic of Estonia. The parties exclude the application of the UN Convention On Contracts For The International Sale Of Goods (CISG) to the Agreement.

Any dispute, controversy or claim arising out of or in connection with the Agreement shall be resolved in Harju County Court (Tallinn, Estonia).

24. Final provisions. Directo may assign its rights and obligations under the Agreement without the Distributor's consent. The Distributor may not assign its rights and obligations under the Agreement without Directo's written consent.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

Failure by a Party to insist upon strict performance of any provision of the Agreement in any particular case shall not be deemed a waiver of any right under the Agreement and shall not affect the Party's right to insist upon strict performance of that provision or any other provision of the Agreement in the future.

The Agreement sets out all the terms and conditions, and the conclusion of the Agreement supersedes all prior oral or written agreements and negotiations between the Parties relating to the subject matter of the Agreement, unless otherwise provided in the Agreement.