

# Software License Agreement

Software License Agreement between the Contracting AZADISOFT and the licensee (the "CLIENT").

AZADISOFT is an authorised developer and distributor of the Software known as "X3 V12-Turkish Legislation" and "X3 V12-Iran Legislation" and as such duly authorised to license the Software and to provide extended maintenance and support services.

AZADISOFT hereby grants the CLIENT a license with effect from the Commencement Date to utilise the Software and acquire ongoing support on the terms and conditions set out below as read with the Schedules hereto, signed and/or accepted by the parties and which collectively make up this agreement (this "Agreement").

**1. DEFINITIONS.** The following terms shall have the meanings set forth below:

"Commencement Date" means the date upon which this Agreement is signed and/or accepted by the party signing and/or accepting last in time.

"License" means a contract whereby the CLIENT elects to pay the fee as stipulated in the Schedule, which does not entitle it to perpetual use of the product and consequently requires the CLIENT to renew the "License" on the basis as stipulated in the Schedule, which shall include the right to use the product during the period of the "License" agreement under the terms and conditions of "License" as determined per point 4 or 5 as applicable.

"Initial License Fee", where applicable, means once off payment for the first use of the "Software".

"Annual License Fee", where applicable, means an annual payment for the continued right to use the "Software" for the period covered by the "Annual License".

"Subscription License Fee", where applicable, means a fee payable for the continued right to use the "Software" for the period covered by the "Subscription License". This fee though expressed as monthly could also be paid quarterly, half yearly or annually in advance.

"Cloud License Fee", where applicable, means a monthly fee amount payable monthly in advance for the continued right to use the "Software" for the period covered by the "Cloud License".

"AZADISOFT" shall mean such AZADISOFT entity as may be determined by the context.

"Object Code" means the machine-readable form of the Software.

"Software" means (a) the software products identified in a Schedule, including related support utilities, run-time support programs and libraries, and security programs, if any;

(b) the related user documentation, if any; (c) the related Updates and Upgrades to such software products and user documentation; (d) modifications and improvements of such software products, user documentation, and Updates and Upgrades; and (e) all copies of the foregoing. Except as may be designated otherwise by AZADISOFT in the ordinary course of its business, Software shall be made available to CLIENT in Object Code format only. In the case of Cloud License Agreements there shall only be end user access to the Software.

"Schedules" means any proposal signed by the CLIENT together with all schedules contained or referred to therein and any purchase order placed by the CLIENT plus all terms and conditions that are accepted and/or signed by the CLIENT and accepted by AZADISOFT relating to, connected with

and arising from the License being granted to the CLIENT, including AZADISOFT's Standard Terms and Conditions ([www.azadisoft.com.tr/legal](http://www.azadisoft.com.tr/legal)) and Maintenance and Support Agreement ([www.azadisoft.com.tr/legal](http://www.azadisoft.com.tr/legal)), all of which form an integral part of this Agreement and "Schedule" means a reference to whichever one of them may in the context be relevant.

"Updates" means error corrections and maintenance releases to the Software. Subject to availability in the ordinary course of AZADISOFT's business, Updates shall be provided at no additional charge for so long as CLIENT obtains On-Going Support.

"Upgrades" means Software enhancements that may accomplish incidental, structural, functional and/or performance improvements. Subject to availability in the ordinary course of AZADISOFT's business, Upgrades shall be provided at no additional charge for so long as CLIENT obtains On-Going Support.

**2. SCHEDULES - ORDERING PROCEDURE.** AZADISOFT will furnish to CLIENT and CLIENT will accept and pay for the Software and initial, annual, monthly or Cloud license fees, as applicable and as identified in a signed Schedule.

Additional terms and conditions set forth in each Schedule shall apply only to the Software identified therein. CLIENT may order Software and licenses under this Software License Agreement by submitting a then current Schedule, properly completed and signed which will then form part of this agreement once the order has been accepted by AZADISOFT.

**3. OWNERSHIP.** CLIENT acknowledges that the Software and all copyrights, patents, trade secrets and other rights, title and interest therein, are the sole property of AZADISOFT. CLIENT shall gain no right, title or interest in the Software by virtue of this Agreement other than the non-exclusive right of use granted herein. Without limiting the foregoing, CLIENT specifically acknowledges AZADISOFT's exclusive rights to ownership in any copy, modification, translation, adaptation or derivation of the Software.

**4. LICENSE AND USE OF SOFTWARE - OTHER THAN CLOUD CLIENTS.** In consideration of CLIENT's payment of the Initial and Annual or Monthly License fees specified in a Schedule, AZADISOFT grants to CLIENT a personal, non-transferable and nonexclusive right and license to use the Software with effect from the Commencement Date. Notwithstanding the foregoing CLIENT may transfer the Software to one or more additional computers, provided that:

(a) the total number of users gaining access to the Software does not exceed the maximum quantity as set forth in the current Schedule, and

(b) CLIENT first notifies AZADISOFT in writing of such additional computer(s). CLIENT represents, warrants and agrees that the Software will be used only in accordance with the terms of this Agreement, including the Schedule, and only for the benefit of CLIENT and its subsidiaries (companies more than fifty percent (50%) owned and controlled by CLIENT).

CLIENT may make one back-up copy of the

Software for archive purposes and, if necessary, one backup copy to run permanently on a replacement computer in the event of an emergency. CLIENT will reproduce all confidentiality and proprietary notices on

each such copy and maintain an accurate record of its physical location. CLIENT will not otherwise copy, translate, modify, adapt, decompile, disassemble or reverse engineer the Software, except only when and to the limited extent that applicable law expressly permits such activity irrespective of the limitations contained herein.

**5. LICENSE AND USE OF SOFTWARE – CLOUD CLIENTS.** In consideration of CLIENT's payment of the Cloud License fees specified in a Schedule, AZADISOFT grants to CLIENT a personal, non-transferable and nonexclusive right and license to use the Software with effect from the Commencement Date. CLIENT represents, warrants and agrees that the Software will be used only in accordance with the terms of this Agreement, including the Schedule, and only for the benefit of CLIENT and its subsidiaries (companies more than fifty percent (50%) owned and controlled by CLIENT). CLIENT will not copy, translate, modify, adapt, decompile, disassemble or reverse engineer the Software, except only when and to the limited extent that applicable law expressly permits such activity irrespective of the limitations contained herein.

**6. ON-GOING SUPPORT.** AZADISOFT shall make available to CLIENT: (a) Updates and Upgrades; and (b) access (via CLIENT's use of the Internet, telephone or other means established by AZADISOFT) to: (i) AZADISOFT's helpdesk; (ii) qualified technical personnel for advice regarding CLIENT's use of the Software (collectively "On-Going Support" and provided as part of the Annual, Monthly or Cloud License Fee as may be applicable).

Unless indicated otherwise in a Schedule, for an initial period of twelve (12) consecutive months beginning upon the effective date of a Schedule, AZADISOFT shall provide to CLIENT On-Going Support with respect to the Software designated therein and, in consideration thereof, CLIENT shall pay AZADISOFT an Annual, Monthly or Cloud License fee based on a percentage of AZADISOFT's then current standard Software license fee for the affected Software as determined in the Schedule.

Thereafter, should the CLIENT elect to use the Software then AZADISOFT will invoice CLIENT the appropriate Annual, Monthly or Cloud License fee prior to the anniversary date of the then current License period or, in the case of multiple year commitments for which full payment has been received by AZADISOFT, prior to the expiration of such commitment and annually or monthly thereafter. If CLIENT elects to renew the License, it shall pay the applicable License fee within thirty (30) days from the date of invoice and, in any event, prior to the expiration date of the License period.

Nothing in this Section shall entitle CLIENT to receive Software updates and upgrades, which are separately priced and licensed by AZADISOFT as new products or new modules to existing products.

If CLIENT allows the License to lapse, it may thereafter renew such support for the affected Software by paying the then current Annual or Monthly License fee plus an amount equal to the aggregate License fees that would have been payable for the affected Software during the period of lapse. This does not apply to Cloud Licensing.

When AZADISOFT issues an Upgrade, AZADISOFT will endeavour to provide On-Going Support for a minimum of two (2) versions immediately preceding the latest Upgrade. Notwithstanding the foregoing, AZADISOFT, at its option, may elect to discontinue the provision of On-Going Support with respect to any version by providing CLIENT with no less than six (6) months prior written notice. This does not apply to Cloud Clients.

In the case of Cloud Clients AZADISOFT will be facilitating the hosting the software and will upgrade this software to the latest versions as and when appropriate. If there is to be down time then clients will be notified in a timely fashion of this.

**7. OTHER SERVICES AND SERVICES EXCLUDED.** The On-Going Support terms cover only the On-Going Support services as defined in clause 6 above and all other related services provided by AZADISOFT to CLIENT (e.g. software installation, custom programming, training, integration of Updates and Upgrades) are provided pursuant to the terms of the Maintenance and Support Agreement which forms an integral part of this Agreement and is available for perusal on [www.AZADISOFT.com.tr/legal](http://www.AZADISOFT.com.tr/legal). To the extent CLIENT requires any services other than the abovementioned, those services shall be pursuant to separate contract between CLIENT and the actual provider of the service. CLIENT agrees that AZADISOFT shall not assume any responsibility for services directly provided to CLIENT by any third party not related to AZADISOFT.

**8. PROPRIETARY DATA; CONFIDENTIALITY.** CLIENT acknowledges that the information contained in the Software is confidential and contains trade secrets and proprietary data belonging to the authors and owners thereof, and that the presence of copyright notices on the medium containing the Software does not constitute publication or otherwise impair the confidential nature thereof. CLIENT shall implement all reasonable measures necessary to safeguard the authors and owners ownership of, and the confidentiality of the Software, including, without limitation (a) allowing its employees, agents and third parties access to the Software only to the extent necessary to permit the performance of their ordinary services to CLIENT and to require, as a condition to such access, that such persons comply with the provisions of this Section 8; (b) cooperating with AZADISOFT in the enforcement of such compliance by CLIENT's employees, agents and third parties; (c) prohibiting the removal or alteration of any copyright or confidentiality labels or notices contained in the Software; (d) prohibiting the copying of the Software except as permitted pursuant to Section 4, above; (e) attempt to make any changes or modifications to demonstration software and (f) decompile, disassemble or otherwise reverse engineer any demonstration software. This agreement applies to all program code, documentation, training materials, and enhancements embodying or related to the demonstration software and any subsequent versions or releases thereof which may be delivered to the CLIENT from time to time by AZADISOFT. Notwithstanding the foregoing, CLIENT agrees not to disclose the Software (without AZADISOFT's prior written consent) to any service bureau or other third party whose primary function shall be to provide CLIENT with day-to-day management and support responsibility of the Software. CLIENT acknowledges that use or disclosure of the Software in violation of this Agreement may cause irreparable harm to AZADISOFT and/or the authors and owners of the Software.

**9. WARRANTY.** AZADISOFT warrants to CLIENT that the Software does not violate any Republic of Turkey patent, copyright or other third party intellectual property right. If an action is brought against CLIENT claiming that such Software infringes a patent, copyright or other third party intellectual property right, AZADISOFT will defend CLIENT, at AZADISOFT's expense, and pay the costs and damages as may be finally awarded against CLIENT in the infringement action (provided that AZADISOFT is given prompt written notice of any third party claim and is given information, reasonable assistance and sole authority to defend or settle the claim). In connection therewith and as AZADISOFT's sole obligation in respect of a breach of this warranty, AZADISOFT shall either, at its option: (a) obtain for CLIENT the right to continue using the affected Software; (b) modify or replace such Software so as to eliminate the infringement; or (c) in the event neither of the above alternatives is available to AZADISOFT on commercially reasonable terms, accept the return of the applicable Software and refund a pro-rated portion of the associated Software License fee for the unexpired period of this contract. AZADISOFT shall not have any liability hereunder if any claim of infringement (i) is asserted by a subsidiary or affiliate of CLIENT; (ii) results from CLIENT's alteration of the Software; or

(iii) results from use of any Software in combination with any non-AZADISOFT product. This paragraph states the entire liability of AZADISOFT and CLIENT's sole and exclusive remedies.

AZADISOFT further warrants that for so long as CLIENT remains current with its Annual, Monthly or Cloud License from AZADISOFT and remits, on a timely basis, the related Annual, Monthly or Cloud License fee, the Software shall function substantially in accordance with its related user documentation provided by AZADISOFT. In the case of all Software, AZADISOFT's sole obligation in respect of a breach of the warranty shall be to modify or replace the Software so as to correct the defective performance. CLIENT shall give AZADISOFT prompt written notice of any claims under the foregoing warranties.

The foregoing warranties shall not apply to the extent that any alleged infringement or defect derives from: (a) a combination of the Software with any program, equipment or device not supplied by AZADISOFT; (b) any modification or customization of the Software by or on behalf of CLIENT; or (c) CLIENT's failure to promptly install any Updates or Upgrades provided under this Agreement, and where applicable.

**10. REMEDY LIMITATIONS.** In no event shall AZADISOFT be liable for any consequential, indirect, special, punitive or incidental damages (including, without limitation, lost revenues or profits), whether or not foreseeable and whether arising out of breach of any express or implied warranty, breach of

contract, negligence, misrepresentation, strict liability in delict or otherwise, and whether based on this Agreement or any transaction performed or undertaken under or in connection with this Agreement. CLIENT agrees that except for AZADISOFT's indemnification obligation arising under Section 9, AZADISOFT's total liability to CLIENT or any third party for damages, regardless of the form of action, shall, in any event, be limited to the Software license fees and Annual License fees received from CLIENT under this Agreement during the 12 months immediately preceding the date of the claim less an amount deemed reasonable for use of the product. Notwithstanding the foregoing, this Section 10 will not apply only when and to the limited extent that applicable law specifically requires liability despite the foregoing exclusions and limitations.

**11. EXCLUSION OF ALL OTHER WARRANTIES.** Except as provided in Section 9, all warranties, conditions, representations, indemnities and guarantees, whether express or implied, arising by law, custom, oral or written statements of AZADISOFT's, or otherwise (including, without limitation, any warranties of merchantability, fitness for particular purpose, or of error-free and uninterrupted use) are hereby excluded and disclaimed.

**12. TERMINATION.** The Parties' rights in respect of any breach and/or to terminate this Agreement are embodied in AZADISOFT's Standard Terms and Conditions which form part of the Schedule and are a material and integral part of this Agreement. Upon termination of this Agreement for any reason, CLIENT shall, no later than the effective date of such termination: (a) purge all Software from all computer systems, terminals, personal computers, storage media, and any and all other devices and files with which the Software is used; (b) return to AZADISOFT all copies (including partial copies) of the Software; and (c) if requested by AZADISOFT, certify in writing that it has complied with the foregoing obligations and has not provided total or partial copies of the Software to any third party. The termination of this Agreement for any reason shall not extinguish or diminish CLIENT's obligations under Section 8 to maintain the confidentiality of the Software, which obligation shall continue and survive termination of this Agreement.

**13. ASSIGNMENT.** This Agreement is personal to CLIENT and neither this Agreement nor any of CLIENT's rights or duties hereunder shall be assigned, sublicensed, sold or otherwise transferred by CLIENT, including to any successor-in-interest to CLIENT's rights in the Licensed Computer, without AZADISOFT's prior written consent (which consent shall not be unreasonably withheld). CLIENT consents to the assignment at any time by AZADISOFT of all or any part of AZADISOFT's rights or duties under this Agreement. In the event of the CLIENT being a company or close corporation, any change in the majority shareholding or interest therein, shall be deemed to be in assignment by the CLIENT for the purposes of this clause.

**14. PAYMENT.** CLIENT shall pay AZADISOFT the Initial License fees and the Annual, Monthly or Cloud License fees as specified in the Schedule(s) upon the signing of each Schedule by CLIENT. CLIENT agrees to immediately notify if the actual quantity of users exceeds the maximum number indicated in a Schedule and immediately remit to AZADISOFT additional Initial license fees and Annual License fees in accordance with AZADISOFT's then current policies and procedures.

**15. LICENSE KEY.** CLIENT acknowledges that a special security program ("License Key") owned and controlled by AZADISOFT may be required to render operational the Software. Any such License Key may prevent the Software from operating for more than the maximum number of users specified in the related Schedule. AZADISOFT shall deliver the License Key(s) to CLIENT promptly after CLIENT's payment in full of the applicable Software license fees and Annual License fees as specified in each Schedule and provided that CLIENT remains current on Annual License at the time of any subsequent License Key request and are compliant with the terms and conditions. Any attempt by any person other than an authorized AZADISOFT representative to alter, remove or deactivate the License Key will be deemed a fraud by such person on AZADISOFT and a material breach by CLIENT of this Agreement.

Other than Cloud Clients the CLIENT agrees that AZADISOFT may periodically gain reasonably controlled access, subject to the CLIENT's policies and procedures (including security requirements) access, to CLIENT's site(s) to confirm the actual number of individual users gaining access to the Software and, if not License Key protected at the time of initial delivery, install a License Key to restrict access to the Software in accordance with the preceding paragraph.

**16. MISCELLANEOUS.** CLIENT shall not disclose the terms and conditions of this Agreement to third parties (except CLIENT's auditors, legal counsel or third parties whose review is mandated by law) without the prior written authorization of AZADISOFT.

AZADISOFT is not responsible for failure to fulfil its obligations under this Agreement due to causes beyond its reasonable control including, without limitation, the insolvency of any supplier or commercial impracticability. In addition AZADISOFT may, with immediate effect upon written notice to CLIENT, withhold the provision of this and/or any obligation hereunder if CLIENT is deemed to be in breach of any other agreement entered into between AZADISOFT and CLIENT.

If any provision of this Agreement is held to be unenforceable, in whole or in part, such holding will not affect the validity of the other provisions of this Agreement, unless AZADISOFT, in good faith, deems the unenforceable provision to be essential, in which case AZADISOFT may terminate this Agreement effective immediately upon written notice to CLIENT.

This Software License Agreement and each Schedule shall be deemed effective on the date the signed acceptance by the CLIENT is received by AZADISOFT. AZADISOFT's obligation to perform hereunder is, at either party's option, contingent upon timely receipt from CLIENT of the original signed Schedule.

This Agreement and its Schedules contain the entire agreement and understanding of the parties as to the subject matter hereof and supersedes all prior discussions and agreements with respect thereto. No variation or amendment to this Agreement or waiver of any rights hereunder shall be valid unless reduced to writing and signed by both parties or their duly authorised representatives

In addition, any notice regarding an alleged breach of AZADISOFT's obligations hereunder shall be in writing and sent to an authorized representative of AZADISOFT. For purposes of this Agreement, an authorized representative of AZADISOFT shall be deemed to mean any director of AZADISOFT.