



## Softlyze Payment & Overdue Policies & Procedures

### Standards for Payment; Client Service(s) Use, Operating Expectations, and Acceptance

Latest Revision: 2021

#### Introduction:

This document sets forth the policies surrounding financial collections for technology licensing fees and charges payable to Softlyze, as it relates to the use of, and payment for, Professional Services and any other additional corresponding Customer licensing, as well as the provision of Softlyze Services expectations.

In consideration of Softlyze performing unique and preferred Services for Client, Client hereby agrees to any and all terms, conditions, provisions, requirements, and expectations placed forth within this document. While unique circumstances may occur, all Clients should reasonably understand the importance of payment fulfillment, proper communication, and general expectation setting as part of any successful partnership. As such, this document outlines what to expect, as well as Softlyze' standards and requirements surrounding Client payment obligations, as well as additional actions Client authorizes Softlyze to take in the event of payment failure.

#### Purpose:

The purpose of these policies is to ensure that Softlyze collects the amounts that are due to it. These policies also aim to fulfill the following objective(s):

- Explain in an open, transparent, and accessible way, how Softlyze will treat Clients who have outstanding debt owed to Softlyze.
- Demonstrate what actions Clients can take to mitigate any steps likely to be taken by Softlyze to recover outstanding debt
- Applying a Client debt policy that is "firm but fair", that encourages all Clients to pay in good time, but has the flexibility to recognize and respond appropriately when this is not possible because of genuine difficulty.

#### Support to Clients:

In applying this policy, Softlyze will make efforts to conduct communication with Customer and demonstrate sympathy (where appropriate) to an individual Clients' financial circumstances. However, for Softlyze to do so, Client's must engage in dialogue with Softlyze if they are experiencing financial difficulties.

Clients experiencing difficulties in paying any fees and charges should seek financial advise at the earliest opportunity, and/or by contacting their Software Broker in support of continuity of Services either: by email, or telephone, and/or direct contact to Softlyze LLC accounting. | Accounting@Softlyze.com

#### Communication with Clients:



Formal documents such as invoices, credit notes, statements and reminders will be sent electronically to the Softlyze client email address(es) which is the official method of communication to Clients. Client must access and use this account regularly. Notice(s) should be delivered to this specific account/personnel regardless of preference or availability. In the event Customer would like to change the preferred contact, steps will be taken by Softlyze to determine the necessity of this action, while continuing to engage the Client directly as it deems appropriate.

As the main object is to make contact with the Client's authorized decision maker, Softlyze may also contact Clients: using any phone number provided by Client to Softlyze, using any alternative email addresses provided by Clients, by letter to the home or address provided by Client, or by making contact with other business stakeholders who may be able to assist in resolution.

### **Methods of Payment:**

Softlyze offers a limited range of payment methods to allow Clients to pay fees and charges quickly and securely. Primary collections include payment by check, wire, cashiers check. Specific payment methods may be required based on client standing, payment status, communication, as well as payment delinquency frequency, amount, or duration (term).

### **Client Payment Fees:**

Clients become liable for the payment of all licensing fees upon the execution of any Agreements with Softlyze, having conducted and/or delivered Professional Service's related to the acquisition of goods surrounding any Client technology requirements. Upon formal execution, within a reasonable period of time, Softlyze will tender the required licenses, and upon delivery Customer deems Softlyze to have completed all Service requirements and accepts the Service as satisfactory. Additional payments may or will be required either monthly, or annually, based on contracts, and client consumption of licenses. Failure to pay, is a strict violation and breach of client commitments unto Softlyze, which beings with notices and leads to Service Termination. As a result of non-payment, Client Service(s) may/will be impacted in a variety of ways.

### **General Policies / Provisions:**

All policies and provisions contained herein, are binding unto a Client as if they were a part of any original or existing Purchase Orders, Signed Quotes, or Agreements. Acceptance and use of Softlyze Service(s) is conditional on acceptance of the Policies contained within. By making use of any of Softlyze Service(s) Client Accepts/accepts these policies as enforceable and part of its Agreements as if it has otherwise executed acceptance of these policies, for each Softlyze Service consumed directly.

On-Time Payment is a condition of any Client making any use of any of Softlyze Services. In event of timeliness issues, non-payment, return of funds, or payment / license compliance, Softlyze has a five step action / notice process for overdue accounts.

1. **Courtesy Reminder** – Each month new invoices are delivered to a Client based on the Services it is known to be consuming from Softlyze LLC. These remind Clients to pay



promptly upon receipt, or as otherwise agreed upon. In event of non payment, or the Client operating outside an agreed upon 'Status Quo', Softlyze may take initial steps to conduct contact, and facilitate communication surrounding payment fulfillment.

2. **Overdue Notice(s)** – Invoices go out monthly, should there be lapse in payment, or payment deficiencies resulting in the Clients account being in delinquency of payment fulfillment, the Client will be notified.
3. **Warning Notification(s) and Late Payment Fee(s)** – Beyond notice(s) and written communication efforts, and with increased persistence and urgency, Softlyze will begin to formally provide you notice(s) surrounding financial matters, and articulate any then known Service(s) continuity impacts. Client may also be given the opportunity to meet with Softlyze. During this stage a 5% fee will apply on outstanding accounts due and uncollected at the prior end of month Service' period. This amount can be waived if outstanding amounts are paid within ten (10) day's of formal notice also known as a "Client Grace Period". After the Client Grace Period, Client will be recognized as both delinquent and in poor-standing status. All new/additional invoices will be invoiced with an additional 5% poor standing fee until paid in full. Additionally, beyond the ten (10) day Client Grace Period, if payment is not received in full, new invoices will be issued with daily late fees of \$75 per invoice, per Client and apply to any outstanding bill(s), but not to exceed \$300/day/company. Both before, but more specifically, during, and after, the ten (10) day Client Grace Period, Softlyze encourages Client to conduct private resolution, and or provide whatever payment guarantees Softlyze may require as a result of Client non-payment. Absent, reassurance in a manner that Softlyze deems acceptable, Softlyze will force accelerate the contracted payments as due "on demand" in an attempt to allow client to continue to have access to Service(s), and will make efforts to both notify them, and determine Client position, intentions, needs, and/or discuss a possible transition plan. Actions may be taken up to, and including, ending access to the technology solutions and Services Softlyze has previously rendered or is currently rendering. Options may exist for a structured pay-out of the contract, and transferring the Client's interactions and support to a direct vendor relationship (as determined acceptable by Softlyze, and allowed by vendor), in the event the implemented solution can or should in-fact be transferred to a direct Customer / Vendor relationship.
4. **Pause / Suspension &/or Termination of Service Notice(s)**

In the event any outstanding invoice(s) and/or the accelerated contracted Service(s) amount remain unpaid and Client remains in poor-standing for a period of five (5) days, Softlyze may suspend/pause/terminate Services at any time without notice (as per contracts requirements, and unpaid, or ongoing subscriptions/Services are subject to cancellation without notice.) If suspended/paused, late-fees will still apply, as Customer remains obligated unto its contractual commitments, and Softlyze' pause/suspension is expected to be short term, and prior to any formal cancellation of Services. Note: Paused/Suspended Services are not notified. Services may be resumed upon discussion, request, and mutual agreeability between Softlyze and Client. Services should not be turned on, or remain on simply for Client convenience or continuity sake. Additionally,



Service(s) will remain paused unless client notifies Softlyze of desires/expectations of other expectations. Pauses/Suspension may occur randomly, or controlled, but they are just that, a pause/suspension in service based on expectations by Softlyze and/or Client that Services shall recommence/resume after specific business conditions have been met.

While in poor-standing, Softlyze has the business obligation to confer and inform others within its partners/network surrounding the nature of its business' and Service(s) continuity expectations, client payment standing, and business dealings. This includes payment status, license adjustments, support/maintenance items, outstanding tickets/issues, immediate client needs/requirements, etc. During the course of, and based on these discussions, Softlyze or its partners may deem it necessary to halt services causing Services disruptions as well as temporary Service(s) outages. All actions taken by Softlyze partners, are actions taken by the primary vendor. Softlyze will not be held responsible for any actions a Softlyze partner makes that affect Service quality, or have an undesired impact. Client both forfeits, waives, and surrenders all rights and obligations by Softlyze unto Client in the event it has a delinquent payment balance and/or poor-standing ,and irrevocably indemnifies Softlyze upon execution of Agreements. Furthermore, Softlyze makes no representations or warranties surrounding any Services, and accepts no liability for any Clients who remain in poor standing, and holds no Services obligation(s) surrounding protections, stability, continuity, usability, or damages that may occur as part of or during any improper use of Services provided by Softlyze. Additionally it makes no promises that Client may not be involved in any legal proceedings as it relates to its Agreements. In the event of legal necessity by or on behalf of Softlyze, or by or on behalf of a partner/vendor, Client will take every reasonable effort to work with Softlyze regarding remedy options, solution alternatives, and any present technology needs/preferences, in order for Softlyze to best serve the Client, and based on their expectations and contractual commitments.

5. **Default Notice** – Additional Notice(s) may be issued at this time advising that some/all Client Services have been suspended and Customer is in default and breach of their Agreement for non-payment. Payment must be made in full of their outstanding monies and partial payment (as deemed acceptable by Softlyze) of current invoice to re-enable Client Services. Payment must be made directly to Softlyze LLC prior to Client Services being re-enabled. If payment is not received, debt owed to Softlyze will be sent to a collections agency and or legal counsel where default and judgement will be sought.

#### Types of Service(s) Disruption(s):

- Complete Suspension/Pause – all Services halted temporarily (awaiting remedies or Agreements)
- Intermittent Suspension/Pause - specific Services halted and re-instated temporarily (awaiting remedies or Agreements)
- Sequential Termination – incremental termination of Services offered as a business protection measure
- Complete Termination – full outright termination of all Services provided by or on behalf of Softlyze



## **Partial Payment(s):**

In recognizing the vastness of Softlyze' partner channel, and the multitude and variety of Service(s) offering's Softlyze can or may have previously secured on behalf of, or for the benefit of Client, at each step Softlyze made a commitment, to a new or existing member of our partner network, and has a strategic duty to uphold all commitments, and collectively values it's own reputation, as much as it does out Clients and partners.

As such, in light of Client payment failures, and given the nature, process, and inclusion of other organizations operating in good-faith and reliance upon Softlyze Agreements, based on commitments and representations by the Client (now in poor-standing), regardless of Client's strategic interest(s), preference(s), or for convenience, Softlyze has fiscal duty to pay all of its partners and vendors equally. Partial payments, or choosing to ' earmark' or selectively pay specific partners out of the invoices Softlyze has provided, is not possible or appropriate. Recognizing this all partial payments made will apply to any late fee(s) first, then the largest outstanding invoices to smallest in that order.

To avoid this circumstance, Client should avoid delinquency altogether, or pay in full, or immediately cease all Service(s) it is consuming from or by Softlyze LLC. With or without any Agreements in place, Client should not consume any Softlyze Service(s) outside license compliance or payment fulfillment.

**Insufficient Funds** – In the event of non-payment, poor-standing, or failure to pay invoices on time, Softlyze reserves the right to require Customer to remit payment via wire transfer. This method ensures adequate funds delivery as is a protection for both Softlyze and Client. Where payment is reversed, or NSF (Non-Sufficient Funds) are determined, Customer will be required to pay \$100 for the first NSF, and \$200 for any additional funding events in which payment failure occurs. Softlyze may re-attempt to deposit the original check at a later date/time, in the event Services payment remains unfulfilled and Client use of Service(s) continue. Additionally upon NSF, Softlyze may/will begin accelerating efforts to receive payment surrounding any all Services, and all payments due.

**Accelerated Payment** - In the event Client informs Softlyze it intends to discontinue payment of any Agreed upon Service(s), or Client is substantially delinquent (meaning recovery efforts and/or litigation are eminent), and/or the Client conducts non-payment, has insufficient funds, or shows disagreeability as it relates to its payment obligations, or payment fulfillment, and/or Softlyze actions to enforce the payment policies contained herein; regardless of payment status, provided the Client has been previously notified by Softlyze surrounding its payment obligations and commitments, Softlyze will force payment acceleration "on demand" surrounding any and all Agreements and/or contractual commitments made by and between Softlyze and Client, including payments both already due and those that will become due over the term of Agreements, as a condition of continued use of Softlyze Service(s). Customer both understands and accepts this, and agrees to not make or continue use of any Softlyze Services without fulfilling this payment requirement. Continued use of the Services once in receipt of an accelerated invoice for Service(s) shall be determined as acceptance on behalf of Client surrounding it's payment duties, and



demonstrates the Client's intention to pay the accelerated invoice(s) in full, in order to avoid further disruption and in order to continue Softlyze Service(s).

In the event Customer delinquency exceeds \$10,000, and Softlyze has either insufficient reason to believe Customer will remit payment, and/or sufficient reason to believe Client will not, and/or has not provided the required re-assurances, Softlyze may/will take legal action to notify others of deficiency and escalate legal and or client stakeholder participation.

Once, Softlyze has accelerated all invoice payments as due (for the entire contract term/period/amounts agreed too), Client shall stop making use of any uncontracted Service(s) Customer may be consuming. Alternately, Softlyze may choose to offer to continue to Service(s) Customer on a continuing basis, in the event of additional contracts being established, and joint business reassurances being met. Without this, all non-contracted Service(s) may, but should be halted immediately, based on license compliance and legal liability requirements. If the full contract amounts or a custom reassurance Agreement has been met, all Services will be honored and fulfilled in accordance with standard Softlyze Service expectations, and/or past fulfillment expectations, and the then contracted requirements.

**No Contact Policy** – when client refuses to communicate, shows signs of financial distress, takes evasive communication actions, introduces legal representation, seeks to avoid or delay payment, or indicates personal distress as it relates to payment, after three (3) calendar days, Softlyze may make any decision as it relates to any Service(s), exclusively in the best interest of Softlyze and/or Client, but has no duty to deliver as the designated Client personnel is/has been either voluntarily or involuntarily non-responsive.

**Partner / Vendor Protection** - Softlyze is bigger than any one client, our business is predicated and built on trust, integrity, and fulfillment of a Professional Service utilizing a network of partnerships. Customer understands that the partnerships that Softlyze has in place are substantial investments, and are routinely managed by Softlyze as part of a larger effort to support its broader Customer base. Customer will make all efforts to avoid making any contact with Softlyze partner contacts. Especially attempting to mislead them, portray themselves to be the rightful business affiliate/end-user, or providing wrongful statements in an attempt to garnish some benefit themselves directly, by association of Softlyze. Interference with channel communication is solely disruptive, and harmful to Softlyze and its Clients altogether. Respect for both the Softlyze and Client Relationship is both healthy, critical, and necessary. Any actions to contact Softlyze partners, is seen as disruptive to other Softlyze Clients and Softlyze will take action to protect itself and its Clients

**Communication Standards.** Good communication is the foundation of any broker interaction. This communication serves to ensure that the Customer is best represented through the many transactions Softlyze brokers. Consequently, poor communication is harmful to the brokers interaction with a Customer, and has a detrimental effect on ensuring there is awareness, visibility, and status transparency between all parties. Customer understands that Softlyze brokers are not sales representatives. Their motive is to purely support the client, and showing excessive absenteeism, or non-follow-up on communication attempts hinders the intent of the brokering process altogether.



### Other Policies Accepted by Client:

1. Regarding payment requirements: If delinquent, Client agrees to pay all legal, attorneys, or collections fee(s) Softlyze incurs or is required to pay in order to receive payment.
2. Custom Financing may be offered at time of purchase, or in response to delinquency. Softlyze reserves the right and has sole discretion and authority regarding any financing terms or unique invoicing/payment expectations for any client whose outstanding balance exceeds \$10,000.
3. Any attempts to conduct business directly or communicate with Softlyze partner network, and/or a vendor, consultant, or other Softlyze stakeholder surrounding any payment matters or ongoing use/access to Softlyze technology systems is strictly prohibited, and protected under contract law.
4. Customer agrees to pay any/all attorney(s) fees for any legal matter or proceedings requiring collections assistance.
5. Partial Payments are consider Non-Payment by Softlyze for standing purposes, unless otherwise indicated or specified by Softlyze LLC.
6. Use of Services outside payment commitments, is considered a breach of contract.
7. Customer accepts responsibility for their own legal expenses as it relates to the enforcement of Softlyze Agreements, in part of whole.
8. Softlyze prefers to work under Agreements for any/all Service(s), but understands some clients prefer to operate on trust and good-faith. We expect this demonstrated where they operate on this basis. When operating Services outside of a contract/Agreement, Softlyze will respect the client's desires based on our policies strict adherence and enforcement.
9. Customer Accepts all liability for consuming any Softlyze Services, especially and including any Services outside Agreement(s). Client indemnifies and holds Softlyze harmless for any Services it is consuming outside Agreement, as it has no binding expectations or Service level standards, or ability for Softlyze to ensure continuity, reliability or license compliance/satisfaction.
10. While Late Fees accrue, once service has been halted, all payments remain due, and at that time simple interest fees may apply to any amounts uncollected by Softlyze beyond a thirty (30) day aged notice. Simple interest shall be determined as the greater of the current/previous years CPI + 1.25%.
11. Services and payment are due upon purchase Agreement execution. Services may or may not be pro-rated base don the service being purchased, contracts, and Client standing/status. No contracted Services will have any pro-rated adjustments.
12. All notices shall be sent directly to the client, not to a 3<sup>rd</sup> party organization or stakeholder without assurance that stakeholder is present and acting as an authorized individual with both the resolution authority, capacity, and interest in resolving any disputes/disagreeability.
13. Softlyze reserves all data related rights, and remedies in accordance with any disputes that arise between the parties. In the event of a dispute, Softlyze will determine what resolution outcomes look like, and what can and should be done with any data, based on original client payment, current payment status, and the circumstances in general.
14. All policies are subject to Softlyze sole discretion for application, interpretation, and enforcement.



Additional policies (new or current) may be found online, or updated versions (as applicable) may be requested directly from your Softlyze software broker.

For More Information or Any Questions Contact:

[Info@Softlyze.com](mailto:Info@Softlyze.com)

*For purpose of Softlyze Payment & Overdue Policy & Procedures, Service(s) shall be defined as any good, product, or professional services (tangible or non-tangible), in which Softlyze facilitates either a transaction, or procures an asset on behalf of, or for the benefit of Client. Client shall be defined as any person(s), company or organization making use of any Softlyze' Service(s). Client hereby accepts all elements of this document as appropriate and enforceable upon consumption of Services by or on behalf of Softlyze LLC.*