

Payment and Service Activation Policy for Upsolut Projects and Managed Services

1. Purpose and Scope

This policy defines the payment, activation, and continuation terms for Upsolut's services.

It applies to all new projects, retainers, or managed service agreements where advance or milestone-based payment has been adopted, particularly in markets or client relationships where delayed payments have been recurring.

This policy supplements and, where applicable, overrides Sections 13 (Payment Terms) and 14 (Suspension and Termination for Non-Payment) of the Upsolut General Terms and Conditions for Project Services and Managed Services.

2. Prepayment-Based Billing Model

2.1 Bucket / Prepaid Hours

- The Client purchases a defined number of work hours or measurable units ("bucket").
- Work commences only after the corresponding invoice has been paid in full.
- The purchased hours can be used flexibly across defined scopes or tasks within the validity period (see Section 5).

2.2 Phase-Based or Milestone Billing

- For project work (e.g., design, development, optimization), the total scope is divided into phases or milestones.
- An invoice is issued for each phase, payable before the start of that phase.
- Work on the next phase will begin only after payment for the preceding phase has been received.



2.3 Monthly or Periodic Prepayment

- For Managed Services, invoices are issued in advance of the service period (monthly, quarterly, or annually).
- The payment due date is at least seven (7) days before the start of the next service period.
- Services will automatically pause if payment is not received by the start date of the billing period.

3. Service Activation and Continuation

- **Activation:** Work or service activation begins only after full payment has been received in Upsolut's designated bank account.
- **Suspension:** If payment is delayed, Upsolut reserves the right to suspend all project and service activities until full payment is confirmed.
- **No Retroactive Work:** Upsolut will not backdate or rush work to compensate for delayed payment periods.
- **Service Continuation:** Each subsequent phase or period requires the same advance payment confirmation before reactivation.

4. Client Communication and Notice

- Upsolut will communicate upcoming renewal or next-phase payment notices at least five (5) business days before due dates.
- Clients are responsible for ensuring timely transfers; bank processing time does not extend the due date.
- Invoices and schedules will clearly specify whether the work is phase-based, bucket-based, or recurring.

5. Adjustments, Roll-overs, and Expiry

- **Unused Balances:** Prepaid hours or units remain valid for **three (3) months** from the payment date unless otherwise agreed in writing.
- **Roll-Over:** Upon request, unused hours may roll over to the next billing cycle once, subject to mutual agreement.
- **Excess Work:** If work requirements exceed prepaid allocations, additional buckets or top-ups must be purchased before continuation.



- **Refunds:** Prepaid amounts are non-refundable once work or preparation has commenced.

6. Applicability and Exceptions

- This prepayment policy applies automatically to all new client engagements in designated markets or accounts with a history of delayed payments.
- Upsolut reserves the right to apply or waive this policy at its discretion, depending on project nature, size, and client payment history.
- The terms herein may also be included in future proposals or project agreements as an integral part of the commercial offer.

7. Relationship to General Terms and Conditions

This policy forms an annex to:

- General Terms and Conditions for Upsolut Project Services (GTCUPS20241025)
- General Terms and Conditions for Upsolut Managed Services (GTCUMS20251103)

In the event of any inconsistency, the provisions of this Payment and Service Activation Policy shall prevail for the engagements to which it is expressly applied.

9. Effective Date

This policy takes effect upon publication or explicit inclusion in a client agreement or proposal.