

## GENERAL TERMS ON COMPLIANCE ASSURANCE FOR PARTNERS

### 1 INTRODUCTION

#### Article 1

(1) These General terms by company Halcom d.d. (hereinafter: General terms) define the conditions of the partnership cooperation and the rights and obligations of the contractor, supplier or other partner (hereinafter: Partner) and the client Halcom d.d. (hereinafter referred to as the client or Halcom) relating to the data protection (personal data, trade secrets), compliance processes / solutions, and other areas to ensure compliance with applicable Slovenian and European legislation as well as international and European technical standards and recommendations.

(2) These General terms are contractual in nature and form and form an integral part of the contractual relationship between the parties and legally bind them. By entering into a contract with Halcom d.d. The Partner declares that it is completely and fully familiar with these General terms. In case of difference between the provision in these General terms and in individual contract, provisions in the individual contract prevail.

(3) Halcom delivers a copy of these General terms to the Partner at the time of contract signing. The current version of the General terms is also always available at Halcom's seat.

#### Article 2

(1) The parties agree to guarantee conditions and measures to ensure the protection of personal data and prevent any abuse in accordance with the regulations on personal data protection.

(2) The Partner will under the contract process personal data on behalf of the Client in accordance with the valid Slovenian and European laws, international and European standards and other professional rules and best practices, in line with these General terms, the individual contract instructions by the Client.

(3) The Partner shall implement and maintain an effective information security management system in line with international standards.

(4) The Partner shall insure its liability with the insurer established in the European Union.

(5) For all services, under a contract, the parties shall agree on technical and business requirements and service level agreement and which form an integral part of the contract.

#### Article 3

(1) In these General terms the party, which reveals certain information called the "Disclosing party" and the party receiving this information, "the receiving Party".

(2) "Confidential Information" under this contract are all trade secrets and information of commercial, financial and technical nature as well as any other information that the Disclosing party marks as confidential and are prepared in any form, including software, analyzes, tables, data, studies or other documents prepared by the receiving party under or in respect of confidential information. As confidential information also apply to all documents held by the receiving party prepared on the basis of such information, or that contain, or are completely or partially prepared on the basis of such information.

### 2. AUTHORITY FOR PROCESSING DATA

#### Article 4

The Client authorizes the Partner to process personal data in accordance with these General terms, the terms of the contract or annex to the contract ("Authorization for personal data processing") which is an integral part of the contractual relationship.

#### Article 5

(1) The Partner acting as processor Contractor shall process personal data solely to the extent and only for the purposes and within the period as specified in the authorization referred to in the previous article.

(2) Upon termination of contract or at any time at the request of the Client, the Partner shall without delay, but no later than one month after receiving the request, ensure the erasure or blocking of personal data received or processed on the basis of authorization from the preceding article.

(3) Upon termination of contract or at any time at the request of the Client, the Partner shall without delay, but no later than one month after receiving the request, return all or part of the personal data received or processed on the basis of authorization from the preceding article.

(4) The Contractor may not condition obligations under this Article in any way and shall execute them regardless of the status of the contract, any disputes with the Client or any outstanding obligations of the Client. The Contractor may deny fulfillment of obligations only if required by law or legal act or decision of the European Union at least equivalent to national law.

### 3 BUSINESS SECRETS

#### Article 6

The Disclosing party is the sole owner and holds all intellectual property rights regarding any confidential information shared with the Receiving party. Sharing of the Confidential information shall not constitute any transfer or grant of any such rights regarding such information to the Receiving party.

#### Article 7

(1) Obligations set out in These General terms shall not apply to confidential information where:

- the Receiving party already possesses before having it received from the Disclosing party;
- such information becomes public for another reason than due to a breach of these General terms;
- such information is independently developed by the Receiving party;
- the Receiving Party may based on the prior express written authorization from the Disclosing party share such information with a third party;
- such information is received from a third party without similar restrictions and not in breach of these General terms;
- such information is disclosed by the Receiving party to comply with the request from the competent court or another government body.

(2) When disclosing confidential information to government bodies the Receiving party shall notify the other party before releasing the information so that the Disclosing party may take all necessary measures for adequate protection of its rights in relation to the requested confidential information. The Receiving party shall, in any case, release the Confidential information to the government body only to the extent as required by law and shall try its best to obtain non-disclosure agreement or other adequate assurance that the information submitted shall be treated confidentially.

(3) With the exception of the points mentioned above the obligations under these General terms shall remain in effect even after the attainment of the business purpose or termination of the contract between Client and Partner for any reason.

#### Article 8

(1) The parties to these General terms shall disclose confidential information to each other to the extent necessary to achieve the common business purpose. The parties agree that the confidential information belonging to the other party shall not be disclosed to a third party, whether a natural person, firm, company, association or any other entity for any reason or purpose.

(2) The parties may disclose confidential information to their employees to the extent needed for performance of their duties. All employees must be informed about the existence of this agreement and the fact it legally binds

them.

#### Article 9

(1) The parties agree that they shall not without the prior express written consent of the Disclosing party use the confidential information or exploit it in any other way except to achieve the stated common business purpose.

(2) The Receiving party shall restrict its employees access to confidential information and disclose only the information necessary for their duties. Confidential information shall not be shared with other parties if this is not expressly stated in these General terms.

#### Article 10

(1) The Disclosing party may at any time request in writing the return of any written confidential information disclosed in accordance with these General terms and any eventual copies, together with a written statement by the Receiving party that it has not consciously retained in its possession or under its control - directly or indirectly - any confidential information or copies thereof. The Receiving party shall comply with such a request in 8 (eight) days after receipt of such a request.

(2) Such part of the confidential information, composed only of analysis, charts, studies or other documents prepared for or by the Receiving party, as is not returned under these General terms to the Disclosing party shall be destroyed by the Receiving party and its destruction confirmed to the Disclosing party in writing.

#### Article 11

Each party represents and warrants to the other party that it is established and operates in accordance with the applicable laws of the country in which it is established. Each party confirms that it is legally executing these General terms and shall carry out all necessary activities related to the implementation of these General terms. The Disclosing party warrants that by providing confidential information it does not violate any other agreement with third parties.

### 4 PERSONNEL SECURITY

#### Article 12

(1) The Contractor shall ensure that the processing of personal data involves only its reliable employees who:

- were properly checked, during recruitment procedures and continuously during employment;
- are contractually or by a way of declaration, legally required to protecting sensitive data;
- adequately trained for their tasks and their knowledge and skills continuously maintained.

(2) The Contractor shall only allow employees access to personal data or confidential information, which is essential for their work in relation to the tasks under contract concluded under these General terms. The contractor shall also ensure that all sensitive tasks are properly managed, and their implementation separated (segregation of duties) with critical tasks requiring the joint action of at least two authorized and trained employees (four eyes principle) and measures in place to prevent any one of the employees to alone endanger the security and integrity of personal data or confidential information (prevention of the single point of failure).

(3) The parties also agree that confidential information may be disclosed to their professional advisors, agents and consultants, provided that such a person signs a nondisclosure agreement providing the same terms and conditions contained in these General terms.

(4) The Partner shall regularly inform the Client of all pertinent employment changes. The Client has the right to verify the personnel security compliance.

(5) The Partner shall immediately inform the Client of any disciplinary or similar proceedings against its staff regarding the duties relating to these General terms.

(6) The Partner shall be obliged upon request by the Client to replace the employee if the latter proves that he acted or tried to act contrary to the provisions of these General terms.

(7) The provisions of the preceding paragraphs shall apply mutatis mutandis to external associates or employees of subcontractors.

## 5 TECHNICAL SECURITY

### Article 13

(1) The parties agree to protect received confidential information by the same standards of information security used to protect their own confidential information and to manage confidential information in such a way as to prevent unauthorized disclosure thereof.

(2) The Partner shall for tasks under the contract and these General terms use internationally renowned software and the services by renowned suppliers (service quality, technological competence, financial strength, etc).

(3) For the any key tasks under the contract and these General terms, which may significantly affect Client's interests or personal data protection, the Partner shall use subcontractors only with the express written consent by the Client.

(4) The Partner shall be required to keep an information resources inventory (information resources, threat levels, security measures, responsible persons, etc.) and up to date documentation on all important activities, key equipment settings, user credentials, equipment inventory and contacts for each location.

(5) All hardware maintenance work shall be carried out at location where the equipment is located. When this proves impossible, the data media shall be removed from equipment and safely stored. If data can not be removed or otherwise protected the whole maintenance process shall be specially controlled. The equipment shall be security screened after maintenance work and before being put back into service.

### Article 14

The Partner provides security and data retention in accordance with its internal regulations and security policies, which provide all the necessary organizational, technical and logical-technical procedures and measures to ensure information security and personal data protection.

Internal regulations or security policies cover at least the following obligations:

- the Partner shall ensure that all premises housing an information system or its components, data backups or personal data are physically or electronically protected;
- the Partner shall provide physical and electronic security of all hardware, system and application software, including the input-output devices and safety of personal data in physical or electronic form in accordance with the principles of information security;
- the Partner shall ensure operational security (electronic protection and network security, application security, audit trails, etc.);
- the Partner assures identity and access management (authorizations, identities and key management, encryption, authentication, audit trail);
- the Partner provides resource management (inventory information resources, authorization and resources management responsibilities, strict segregation of resources or at least data pertaining to different clients);
- Information system provides an effective way to erase personal data base on the decision of the Client, the competent government bodies or valid laws and regulations;
- the Partner and the Client shall jointly ensure secure data transfer and prevent unauthorized access to personal data during transfer, including the transfer by use of public telecommunications resources and (obligatory encryption);
- the Partner shall prevent unauthorized access to personal data on physical media format by using at least these security measures
- data media containing personal data is not left unattended in open areas or equipment or any other places accessible to unauthorized persons,
- all printed data shall be safely removed from the printer
- waste paper and other discarded media containing personal data shall be destroyed in a way that prevents recovery of all or part of destroyed data; the same requirement applies to any support material;
- data media containing personal data shall not be discarded in garbage bins, but instead securely destroyed.
- ensure compliance with all other obligations arising from the provisions on the data protection regulations and this General terms.

## 6 SUBCONTRACTORS

### Article 15

(1) The Partner may subcontract tasks, related to the processing of personal data, provided the Partner informs the Client in writing of any intended changes concerning the addition or replacement of a subcontractor or a substantial change in the contractual relationship with existing subcontractors. The partner shall inform the Client at least 30 days prior to the start of implementation of tasks and the Client shall within 15 days of receipt of the notification provide any objections in writing.

(2) For any the tasks under these General terms, which do not include the processing of personal data, the Partner may hire subcontractors at its own discretion.

(3) The partner shall guarantee for any tasks performed by subcontractors as performed by the Partner itself.

## 7 CHANGE MANAGEMENT

### Article 16

Changes in information solutions, or documentation may under these General terms result from:

- improvements or introductions of new IT solutions, which relate to these General terms,
- error or bug fixes in information solutions, which relate to these General terms,
- organizational changes, affecting the solutions that are the subject these General terms, or
- affected by pertinent changes in applicable laws and regulations.

### Article 17

(1) The development, test and production IT environments related to these General terms shall be completely separated.

(2) Any change in information solutions, or documentation related to these General terms shall be first tested solely in the development environment and only with imaginary data or publicly accessible digital content. Any change must be documented in such a way to indicate the new version, to identify any reasons for changes and all implemented essential changes, and determine the place of storage of the new and previous versions.

(3) All previous versions of IT solutions and documentation shall be securely stored.

(4) Real data shall never leave the production environment and may not be transferred to any other environment or distributed to any other party without the explicit legal basis and explicit consent of all contractual partners and end-customers to whom the data relate, and after after all aspects have been analysed to ensure such action is in accordance with all applicable laws and regulations.

### Article 18

(1) Before installing the new version of the respective IT solutions the Partner shall with the Client:

- provide installation instructions and plan for any possible problems while installing and operating the system;
- successfully test the new version in the test environment and appropriately document such test,
- append or change project documentation in accordance with changes made.

(2) New versions of IT solutions, subject to these General terms, shall be installed only after all the tasks from the preceding paragraph are successfully and properly implemented.

(3) New versions of IT solutions, subject to these General terms, shall be installed based on mutually agreed conditions by both parties.

### Article 19

(1) Prior to installation of new IT solutions or application support services, subject to these General terms, or installation changes to existing IT solutions the responsible project manager shall determine all the necessary activities related to training and informing of employees and customers.

(2) Both contractual parties shall jointly assure that all employees or customers are appropriately and effectively informed of new IT solutions or modifications thereof.

## 8 BUSINESS CONTINUITY

### Article 20

(1) The Partner shall provide a valid business continuity plan, which aims to ensure the 24/7 operation of the service to the client, to establish procedures to prevent interruption of business activities continuing operations, to ensure the smooth operation of a specific service, describe the procedures in case of failure of the service and ensure compliance with applicable laws and this agreement.

(2) The plan should be based on risk assessment made and the obligations under the contract with the proposal of measures to reduce these risks in the event of possible incidents.

(3) The plan must contain at least the following topics:

- the existence of the crisis, it must assume the management in case of an emergency and to take major decisions and actions that are periodically meetings with the aim of preventive review of the Business Continuity Plan and its update;
- provided the first steps in the event of an emergency and determination of cause and effect;
- communication plan in case of emergencies;
- mandatory periodic testing of the business continuity plan (at least once a year or every time a major change processes, equipment, or risk exposure; mandatory operational rules of testing, failure simulation of the entire primary location; recovery operation at the primary location).

## 9 PROVISION OF INFORMATION AND INCIDENT REPORTING

### Article 21

(1) The Partner shall, at the request of the Client or the competent national authorities in relation to the tasks or data processed under these General terms, always within a reasonable time prepare and submit a report on the functioning of the information system, the data processing or prepare data extracts for the protection of legal interests of the Client or the Client's clients or third parties.

(2) Unless otherwise agreed, the Client shall pay the cost of such reports or data printouts from the previous paragraph by man / hours, except in cases where the reports are needed regarding the incident that occurred due to reasons under Partner's control.

### Article 22

(1) The Partner shall monitor and record every information security event (incident), which means any event that has or may have resulted in:

- unavailability of the system or part thereof or services,
- disclosure of confidential information or the loss or unauthorized changes to the data,
- damage to or loss of equipment and facilities, or
- other action that violates security policies or procedures.

(2) The Partner shall ensure that authorized and trained employees respond to any information security event and take all necessary measures to prevent the fallout from the incident and future such events.

(3) The partner shall at least once monthly report any information on security incidents. Any critical incidents has to be reported immediately or no later than the next 24 hours.

(4) Unless otherwise agreed, the Client shall pay the cost of such reports or data printouts from the previous paragraph by man / hours.

## 10 AUDIT

### Article 23

(1) The Client has the right to audit Partner's actions under these General terms and/or compliance with applicable European and Slovenian legislation, international standards and recommendations and industry best practices. The Client has the right to transfer audit authorization to its clients or for them competent national authorities in accordance with this General terms, except if otherwise provided by national law or legal act or decision of the European Union at least equivalent to national law.

(2) The Client shall audit only activities related to the contract concluded under these General terms or the provision of services within the project framework under such contract and in order to protect the legitimate interests of the Client or the interests of end customers or the public interest.

(3) Audit shall be performed by an authorized person, which shall be independent in the performance of auditing activities under these General terms.

(4) The Partner shall assist the authorized person in accordance with these General terms. To this end, the Partner shall contractually bind its employees, contractors, subcontractors and suppliers to act in accordance with these General terms when providing services, delivering goods or supplying infrastructure.

(5) The authorized person shall discharge duties in a way that minimizes the effect on the Partner's operations and interferes in the functioning of the Partner only to the extent that is necessary to ensure effective audit.

(6) When deciding on necessary measures the authorized person shall take into regard the gravity of the contractual breach and enforce the measure which is most favorable for the Partner while at the sametime still achieving the purpose of audit.

#### Article 24

(1) The authorized person or his employer may not engage in activities, or may not perform work for another employer that represents a direct competition to the Partner or its partners and suppliers.

(2) The authorized person shall protect business secrets or personal data, revealed while performing the audit. This obligation to protect sensitive information shall survive the termination of employment. The authorized person is obliged to protect the confidentiality of sources that report irregularities and other sources of information, on which the audit is based.

#### Article 25

(1) The Partner or his partner or supplier shall ensure that the authorized person in the performance of the audit has the right to:

1. inspect premises, facilities, machinery, equipment, working tools, fixtures, objects, goods and documentation relating to implementation of these General terms;
2. interview employees and while doing so also review pertinent documentations relating to such persons,
3. obtain free of charge samples of goods and materials or equipment of minor value that is not of vital interest to the Partner's operations;
4. photograph or digitally record persons, premises, facilities, fixtures and other objects and reproduce documents, audiovisual records and other records referred to in the first indent;
5. seize objects, documents and samples to preserve evidence,
6. perform other actions needed for successful audit.

(2) The authorized person may while discharging audit duties seize for not longer than 15 days the documentation needed to assess facts of the present case when there are in authorized person's judgment reasonable grounds to suspect breaches of applicable regulations, standards and rules of the profession or these general terms or contract, and if such seizure does not significantly impede business activities of the Partner or other audited business entities. The authorized person shall issue written proof of seizure to the Partner. The Partner may refuse authorized person the right of access or seizure of documents that represent a particularly sensitive business secret or of information whose release to the authorized person would be unlawful.

(3) The authorized person may after previous appointment and during normal business visit and enter the premises and facilities, lands and plots and have access to equipment as defined in the previous paragraph, unless these General terms or applicable laws provide otherwise. The authorized person may not enter Partner's

premises and facilities, which Partner in advance explicitly marked as inaccessible or off limits, since they have no essential connection with the implementation of the contract under these General terms or if they are afforded special protection under valid laws or Partner's vital business needs. The authorized person shall during visit and inspection comply with the requirements of the valid laws and regulations, the international technical standards and recommendations (eg. ISO 27001) and, as far as possible, in accordance with Partner's internal regulations and procedures.

(4) In case where the authorized person deems that the Partner acts contrary to these General terms or hinders the auditing activities it shall inform the responsible persons of both parties. If, on the basis of such a request, the Partner still refuses to allow audit activities, the Partner shall explain in writing control the circumstances related to such refusal. The Client may in such case act in accordance with these General terms and consider such refusal as a serious breach of contract or applicable laws and regulations. The final report by the authorized person shall mention any such incident.

#### Article 26

(1) The authorized person may inform responsible persons of both parties about audit findings in relation to uncovered deficiencies or irregularities and necessary corrective measures.

(2) The authorized person shall in case of any uncovered deficiencies or irregularities or breaches of applicable laws and regulations, standards and professional rules notify the Partner and in case of significant deficiencies or irregularities or breaches instruct on corrective measures to remedy the situation by the deadline limit determined in agreement with the Partner. If such deadline is not mutually agreed, the authorized person shall unanimously set a deadline, not shorter than 30 days.

(3) When setting the deadline for corrective measures the authorized person shall take into account the gravity of the infringement, its impact on individuals' rights (final customers, employees and others) as well as potential public interest and the relevant circumstances impacting the time in which the Partner or other audited business entity may while exercising due care rectify the situation.

#### Article 27

(1) When the Partner within the time limit set by the authorized person fails to correct any established irregularities and deficiencies, the authorized person may, if necessary and until the correction of such irregularities or deficiencies, suspend all or certain tasks under the contract concluded under these General terms. Any prolonged suspension of duties, caused by Partner's fault, shall be considered a serious breach of contract.

(2) When the authorized person in the performance of audit determines that the Partner or Partner's subcontractors or suppliers breached these General terms or applicable laws and regulations and such breach negatively affects the rights or legitimate interests of other legal or natural persons, the authorized person shall first inform the provider and afterwards also such persons and, upon request, also make available to them any audit findings, information on imposed measures and any other information required for exercising of their rights or protection of their legitimate interest.

#### Article 28

Unless otherwise agreed, the Client shall pay the price of assistance in audit by spent man / hours, except in cases where the audit is related to the incident that occurred due to reasons under Partner's control.

### 11 REGULATORY OBLIGATIONS AND CONTRACT MANAGEMENT

#### Article 29

(1) The Partner shall upon request ensure the participation of its employees and to provide all necessary documents for any Client's needs related to enforcement of legal rights or interest and any internal or external audit procedure or supervision by competent national authorities and judicial, arbitration or similar dispute resolution procedures.

(2) Unless otherwise agreed, the Client shall pay the price of such assistance by spent man / hours, except in cases where the incident occurred due to reasons under Partner's control.



#### Article 30

(1) The Client and Partner shall appoint a joint working group to monitor the implementation of this General terms. The partner shall periodically (at least quarterly) report to such working group all important events and information relating to the implementation of these General terms.

(2) The working group shall monitor the quality, security and cost-effectiveness and implement the necessary improvements or those proposed by the persons responsible. The working group shall at least once a year report to the Client's and Partner's management.

#### Article 31 The

The Client may, in the case of a serious breach of contract or these General terms, early and without notice, terminate the contract. In the case of a serious breach of contract or these General terms the Client shall allow the Partner to correct any breaches or omissions in 8 (eight) days. If the Partner does not respond or responds incorrectly or does not remedy the breaches or omissions in accordance with the Client's requirements, the client shall without notice terminate the contract.

#### Article 32

(1) The Partner shall carry out all processing tasks in such a manner as to ensures that the Client is able to transfer data back into its own applications or to another contractor. To this end, the Client and Partner joint working group shall agree the details of data export, data transfer action plan and other related measures.

(2) After completion of each processing, if so agreed, or at the termination of contract the Partner shall surrender all data and processing results and after the confirmation of a successful data transfer by the Client delete or block such data and shall not process personal data in any other way.

### 12 COMMUNICATION BETWEEN THE PARTIES

#### Article 33

(1) All messages, requests or other communications relating to these General terms shall be in writing, addressed to the party or parties at the address stated in the the contract concluded under these General terms or to the address notified by the party concerned and delivered in person or sent by registered post with acknowledgment of receipt or electronically through a trust service provider or with a proof of receipt signed by a qualified electronic signature.

(2) In the event that the date of receipt cannot be established, the date of receipt shall be deemed to be on the 8th day after the date of the sending postmark.

### 13 LIABILITY

#### Article 34

(1) Any party shall in accordance with applicable laws be liable for any unauthorized disclosure of confidential information belonging to the other party and received under these General terms to achieve the agreed common business purpose. The Partner acting as data processor shall be liable for any breach of obligations under these General terms regarding personal data processing.

(2) The Parties agree that in the case of breach of these General terms by the Receiving party or by the Partner as processor the Disclosing party or the Client acting as controller may under its own sole and full discretion either claim actual damages or demand payment of a contractual penalty in the amount of 50,000.00 euros (in words fifty thousand) from the Receiving party or the Partner acting as processor in breach of these General terms.

(3) The Disclosing party or the Client acting as controller shall in such case request from the Receiving party or the Partner acting as processor the payment of a calculated sum of actual damage or contractual penalty and the Receiving party or the Partner acting as processor (the party in breach of these General terms) shall pay the amount within 15 (fifteen) days after receiving such justified request.

(4) The parties shall consider request justified if it is accompanied by the relevant evidence, which indicates that

the Receiving party or the Partner acting as processor has breached the provisions of these General terms.

#### 14 FINAL PROVISIONS

##### Article 35

(1) If any of the General terms provisions is or becomes void, this does not affect the other General terms provisions. The void provision shall be replaced with the valid one, which most closely approximates the purpose intended by the void provision.

(2) If the provisions of these General terms are not implemented or there is no requirement to implement them, such waiver shall not be construed as a termination of the relevant provisions and shall not affect the validity of these General terms, either in part, or in whole or in termination of the rights of any parties under these General terms.

##### Article 36

(1) The Client may from time to time change or amend these General terms and inform the Contractor by electronic means at least two month prior to the changes having effect.

(2) The changes or amendments shall be deemed accepted by the Contractor except if the Contractor notifies the Client prior to the new changes taking effect about Contractor's reservations or cancelation of the contract under these General terms .

##### Article 37

Any disputes between the parties under these General terms shall be resolved by the competent court in Ljubljana under the laws of the Republic of Slovenia.

##### Article 38

These General terms are valid from 01.01.2018.

Ljubljana, 29.12.2017

Marko Valjavec  
Chief Executive Officer



halcom  
d.d., Ljubljana