

Terms of Use

The factoHR service is an online, subscription-based, hosted, supported and operated on-demand solution ("Cloud Service") provided by factoHR. ("factoHR") under a written purchase order. factoHR is who is also the owner of factoHR website www.factoHR.com, its contents and the software application.

The acceptance of this Terms of Use constitutes the written agreement which is legally binding for both parties and valid until it is terminated by one of the parties. factoHR is reserving the right to amend or change the terms of use without prior notice. factoHR will however take reasonable steps to inform users about any such change and provide the easy-exit procedure in case of users wishing to terminate the agreement and leave the service at any time, for any reason. factoHR is not responsible for the Cloud Service unavailability, data errors, inaccuracies or for any consequential damage caused by the use, or inability to use the Cloud Service.

factoHR grants to users a non-exclusive, non-transferable and world-wide right to use the Cloud Service (including its implementation and configuration), any materials and documentation solely for user's internal business operations.

Cloud Service may include integrations with web services made available by third parties (other than factoHR or its affiliates) that are accessed through the Cloud Service and subject to terms and conditions with those third parties. These third party's web services are not part of the Cloud Service and the agreement does not apply to them.

Personal Data & Privacy

factoHR collects personal information from its users and as a Cloud Service, allows users to collect personal information of other users. According to EU regulation regarding personal data (GDPR) factoHR is the processor of the personal data managed by factoHR and the User is deemed the controller. Furthermore, these Terms of Use are deemed the Data Processing Agreement required by the regulation. In case the user requires the agreement in a classic paper format signed and dated by both parties, the signed PDF version will be provided on request.

factoHR is committed to fulfill any request made by the users stemming from the provisions of personal data protection legislation, upon user's reasonable request. factoHR may charge the user reasonable costs of fulfilling such requests.

Personal data is governed by factoHR Data Processing Agreement.

Data Security & Safety

factoHR is ISO27001 certified and takes all reasonable measures to protect the information kept by factoHR from unauthorized use and to prevent unauthorized access to factoHR and its data. factoHR allows its administrative users (admins) to store, process and manage personal information of other users such as employees, temporarily hired workforce, subcontractors and other contributors of their time tracking information. User's admins are responsible for protecting the privacy of the personal data they collect and manage with the Cloud Service. factoHR follows best business practices for protecting the user data such as secure communication, data encryption, user identification and authorization, rights management, safe storage and redundancy. All the user information is stored on servers in a secure operating environment. The factoHR server software runs in a multi-tenant environment using logical tenant isolation in Microsoft Azure infrastructure. Although factoHR has taken all reasonable measures to minimize the risks of data loss, including the regular data backup, factoHR takes no responsibility for eventual data recovery failure or

data loss in general. To help preserving the data in case of corruption, loss or Cloud Service cancellation factoHR allows unhindered export of data during the time of active subscription. factoHR is committed to promptly inform the users about all security, privacy and data safety incidents.

User is responsible for its data and entering it into the Cloud Service. User grants to factoHR a nonexclusive right to process such data solely to provide and support the Cloud Service.

At the end of the agreement, factoHR will delete the user's data remaining on servers hosting the Cloud Service unless applicable law requires retention.

Subscription Terms

The Cloud service is paid by monthly or annual subscription. The subscription is billed at the beginning of the subscription period. Subscription is billed automatically according to the current number of users. The customer account is billed according to the price listed, the currency available for the country of the user's origin and the exchange rate used by the checkout system. The subscription can be cancelled at any time by following the Settings link in the global navigation bar or by email send on sales@factohr.com The Account screen provides a simple and straight, no questions asked cancellation process. The customer is solely responsible for properly cancelling his account. Email messages are not accepted as cancellation. factoHR, in its sole discretion, reserves the right to suspend or terminate any customer account and refuse any and all current or future use of the Cloud service, or any other factoHR service, for any reason at any time.

With respect to the Cloud service, user will not:

- except to the extent such rights cannot be validly waived by law, disassemble, decompile, reverse-engineer, copy, translate or make derivative works,
- upload any content or data that is unlawful or infringes any intellectual property rights, or
- circumvent or endanger its operation or security.

factoHR may create analyses utilizing, in part, information derived from user's use of the Cloud service. Analyses will anonymize and aggregate information, and will be treated as confidential information. Examples of how analyses may be used include: optimizing resources and support; research and development; automated processes that enable continuous improvement, performance optimization and development of new factoHR products and services; verification of security and data integrity; internal demand planning; and data products such as industry trends and developments, indices and anonymous benchmarking.

factoHR warrants that during an applicable subscription term (a) this agreement, and any documentation will accurately describe the applicable administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of user's data, (b) factoHR will not materially decrease the overall security of the Cloud Services, (c) the Cloud Services will perform materially in accordance with the applicable documentation, (d) will not breach registered intellectual property rights of any 3rd party.

For any breach of a warranty above, user's exclusive remedy is termination.

factoHR shall not be held liable for any loss, including loss of profits, indirect or incidental loss, loss of data, non- function of the Cloud Service or its functionalities if:

- loss is not reproducible or not imputable to factoHR or in cases where the Cloud Service is not used in compliance with this Agreement;
- user has failed to properly perform its duty to collaborate or failure to take the advice of factoHR;

- if the loss is caused as consequence of the force majeure.

factoHR's total liability for any damages or claims under this agreement is limited to the 10% of the value of the subscription fees paid in the last 6 months, except in case factoHR caused the damage with wilful intent or gross negligence.

Hardware Equipment Lease

In addition to subscription to the Cloud Service, the user may rent hardware equipment («Equipment») from factoHR, if so agreed in a separate purchase order. Equipment under this Agreement is the sole and exclusive property of factoHR and user shall have the right to use such Equipment.

User is solely responsible for protecting the Equipment from damage (ordinary wear and tear excepted). User shall use every reasonable precaution to prevent loss or damage to the Equipment and to prevent injury to persons and property through its use. User shall not modify or alter the Equipment. Upon request by user, ŠPICA shall provide qualified personnel to repair, replace or adjust the Equipment within a reasonable time to assure its performance in accordance with the specifications. The service fee is included in the Equipment Rental / Service Fee set forth on the order form for the lease term. Where the Equipment is damaged due to the negligence or recklessness of the user, the user shall be solely responsible for all such repairs.

factoHR shall be liable for failures covered by the Equipment manufacturer's warranty.

User undertakes to use the Equipment under this Agreement exclusively for his own needs and shall not sub-lease it to third parties.

Upon expiration of the Equipment lease user shall, upon factoHR's written demand, within 8 days from the demand, enable factoHR to remove rented Equipment. User shall bear such removal costs.

If at the end of the duration of the Agreement Equipment is damaged or non-operational when returned, Provider shall be entitled to have costs of damage and fault elimination reimbursed.

If at the end of lease relationship user is unwilling to enable the removal of the Equipment, user shall be obliged to pay to factoHR a special charge as a contractual penalty amounting to 10 % of the Equipment rental fee for each day of delay, whereby the payment of user charge does not constitute grounds for the usage of the Equipment.

Non-Payment & Dormant Mode

Payment terms are 8 days from the date of the invoice. If factoHR subscription is not paid one month after becoming due, the Cloud service falls into dormant mode. In dormant mode, real-time time tracking is still recorded. Dormant accounts are kept in dormant mode for 90 days. During that time, the account can be reactivated simply by paying one-month subscription, where the rate is calculated according to the last month of active use. After 90 days, dormant accounts are automatically cancelled.

TECHNICAL SUPPORT

factoHR provides technical support to the user.

Technical support requirement is submitted using the web page or e-mail address of the support (sales@factohr.com). The Customer Support will respond to such requests in a reasonable timeframe (usually same or next business day) but can make no guarantees or warranties of any kind that such

requests shall be answered within a timeframe corresponding to the user's expectations, or that the answer shall be entirely satisfactory for such user.

Tax Notes

All the fees are exclusive of all taxes, levies, or duties imposed by taxing authorities. Customers outside EU are responsible for payment of all such taxes, levies, or duties. Customers within EU are treated according to EU tax regulation, as follows:

- Business customers from the EU are not charged Slovenian VAT, but are required to submit their EU VAT registration number.
- Non-business customers from the EU are charged additional 22% of Slovenian VAT.
- All business and non-business customers from Slovenia are charged additional 22% of Slovenian VAT.

Governing Law

The Agreement and any claims relating to its subject matter will be governed by and construed under the laws of Slovenia, without reference to its conflicts of law principles. All disputes will be subject to the exclusive jurisdiction of the courts located in Ljubljana. The United Nations Convention on Contracts for the International Sale of Goods and the Uniform Computer Information Transactions Act (where enacted) will not apply to the Agreement.

Either party must initiate a cause of action for any claim(s) relating to this agreement and its subject matter within one year from the date when the party knew, or should have known after reasonable investigation, of the facts giving rise to the claim(s).