

SCHEDULE 1: TERMS OF SERVICE (“Terms”)

Version: V23-01/01062023

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Terms.

“Affiliate” any entity that directly or indirectly controls, is controlled by, or is under common control with another entity.

“Agreement” these Terms, the Engagement Letter, the Offer and other Schedules to the Engagement Letter collectively as complete and entire agreement between the Parties.

“Applicable Data Protection Laws” means all applicable laws, statutes, regulations, and codes from time to time in force including the national law on the processing of Personal data and EU General Data Protection Regulation 2016/679 relevant to the Services.

“Business Day” a day other than a Saturday, Sunday or public holiday in Ljubljana, Slovenia, when banks in Ljubljana are open for business.

“Engagement Letter” an agreement for the provision of the Salesqueeze Platform by the Contractor to the Customer pursuant to these Terms.

“Data Breach” any accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to Personal Data or Confidential Information transmitted, stored or otherwise processed.

“Data Controller” natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data.

“Data Processor” natural or legal person, public authority, agency, or other body which processes personal data on behalf of the controller.

“Fees” fees that are payable by Customer to the Contractor pursuant to the provisions of these Terms for the provision of the Salesqueeze Platform, Engagement Letter, stated in the Offer and any other fees agreed in writing from time to time.

“Force Majeure Event” in relation to any Party any event beyond the reasonable control of that Party (which was not reasonably foreseeable) and which by the exercise of reasonable diligence, the said Party is unable to provide against. Subject to the foregoing and the other provisions of these Terms, such events are acts of God, acts of terrorism, earthquakes or other extraordinary weather conditions, fire or flood, or prolonged outage of telecommunication services or electricity, but shall exclude any delay or failure in the performance of any obligations by any supplier or subcontractor of a Party

(unless such delay or failure was itself caused by a Force Majeure Event) and/or any industrial dispute between a Party and any section of its workforce or between a supplier or subcontractor of Party and their workforce.

“Terms of Service Commencement Date” the date of execution of these Terms which is the same as the date of conclusion of the Engagement Letter.

“IPR” (Intellectual Property Rights): patents, utility models, rights to inventions, copyright and neighboring and related rights, moral rights, trademarks, trade names, service marks and domain names, rights in get-up and trade dress, goodwill and the rights to sue for passing off or unfair competition, design rights, semi-conductor topography rights, database rights, confidential information (including know-how and trade secrets and the rights to use and protect confidential information) and all other Intellectual Property Rights, in each case whether registered or unregistered and including all applications, registrations granted pursuant to any of the applications and rights to apply for and be granted, renewals or extensions of and rights to claim priority from such rights, and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

“Materials” includes, but not limited to all data, documents, know-how, methodologies, processes, reports, specifications, or anything provided in connection with Salesqueeze Platform provision.

“Personal Data Breach” breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored or otherwise processed.

“Personal Data” any information relating to an identified or identifiable natural person (‘data subject’) pursuant to EU General Data Protection Regulation 2016/679.

“Salesqueeze Platform” cloud-based-quote web application for automation of sales, created and provided by the Contractor to the Customer on SaaS principle (Software as a Service), pursuant to an Engagement Letter.

“Salesqueeze IPRs” all Intellectual Property Rights (IPRs) created by Contractor or on Contractor’s behalf in the course of this Agreement and any IPRs otherwise arising in the course of these Terms.

2. CONTRACTOR’S RESPONSIBILITIES

2.1 The Contractor shall:

- (a) provide the Salesqueeze Platform in accordance with the Engagement Letter and the Offer;
- (b) ensure that the Salesqueeze Platform will conform in all respects with the Offer and that it shall be fit for any purpose agreed on with the Offer;

- (c) perform its services with the highest level of care, skill and diligence in accordance with Applicable Laws and best practice in the Contractor's industry, profession or trade;
- (d) guarantee that the Salesqueeze Platform will be available for use the entire time of the validity of individual Engagement Letter, whereas the term "entire time" equals at least 99 % of the time in 12 consequential months;
- (e) ensure that the Salesqueeze Platform and the infrastructure needed for running the Salesqueeze Platform is of the best quality and are free from defects in workmanship, installation and design;
- (f) cooperate with the Customer in all matters relating to Salesqueeze Platform;
- (g) hold all the Customer's Materials in safe custody, maintain such Materials in good condition until returned, and not dispose of or use the Customer's Materials other than in accordance with written instructions or authorizations;
- (h) comply with any additional obligations imposed on it as set out in the Engagement Letter.

3. CUSTOMER'S RESPONSIBILITIES

3.1 The Customer shall:

- (a) cooperate with the Contractor in all matters relating to Salesqueeze Platform, and ensure efficient personnel co-operation;
- (b) pay Fees under the terms of these Terms and individual Engagement Letter or as set out in the Offer;
- (c) ensure that Customer has the authority to contractually bind on all matters relating to Salesqueeze Platform;
- (d) provide to the Contractor all documents, information, items and materials required under a Engagement Letter or the Offer at the mutual agreed date; in case of delay, the Service Commencement Date shall be prolonged for the time of the delay;
- (e) be responsible for the content of the provided documents, information, items and materials as to their veracity and correctness and as regards the protection of professional secrecy and not to infringe the copyright or other intellectual property rights or other does not violate other laws;
- (f) provide the Contractor with additional information and accesses, without which the Contractor is not available to deliver the adapted Salesqueeze Platform to the Customer.

4. MUTUAL OBLIGATIONS

- 4.1 Both Parties shall designate qualified representatives who shall attend at regular meetings, scheduled as agreed by the Parties from time to time for the purpose of exchanging information at business and technical level, and coordinating necessary activities.

5. ENGAGEMENT LETTER PROCESS

- 5.1 These Terms govern the overall relationship of the Parties in relation to the Salesqueeze Platform provided by the Contractor and set out the procedure for the Customer to request the provision of services from the Contractor under a separated Engagement Letter.
- 5.2 The Customer shall be entitled from time to time to request in writing the provision of additional services from the Contractor.
- 5.3 Within 20 (twenty) Business Days of receipt of a request from the Customer, the Contractor shall:
- (a) either notify the Customer that it is not able to provide the requested additional services; or
 - (b) either prepare a new offer for the Client, if the requested additional services are not the subject of the original Offer. In the event that the Contractor considers that a certain situation requires so, the Contractor prepares a new Engagement Letter.
- 5.4 The Engagement Letter shall not enter into force, be legally binding or have any other effect unless:
- (a) the Engagement Letter has been signed by the authorised representatives of both Parties to it; and
 - (b) as at the date the Engagement Letter is signed, these Terms have not been terminated.
- 5.5 Each Engagement Letter:
- (a) shall be entered into by the Customer and the Contractor; and
 - (b) forms a separate contract between its signatories.

6. DELIVERY DATE

- 6.1 The Salesqueeze Platform shall be delivered under the conditions and deadlines agreed upon with the Engagement Letter or as provided in the Offer.

7. TESTING AND TROUBLESHOOTING

- 7.1 The Customer shall be provided with an option to test the Salesqueeze Platform in the timeframe as set out in the Offer or Engagement Letter.
- 7.2 The Customer has to notify the Contractor of an error or a defect in the Salesqueeze Platform in 7 (seven) Business Days from the start of the testing, otherwise it is considered that the Salesqueeze Platform does not have any errors.
- 7.3 The Customer undertakes to correct an error on the Salesqueeze Platform within 5 (five) Business Days after receiving the notification on an error or defect. The Customer shall review the correction of an error or a defect and within 5 (five) Business Days from the receipt of corrected

version, notify the Contractor that the error or the defect was not eliminated fully or properly, otherwise it is considered that the error or the defect was corrected or eliminated.

8. MAINTENANCE AND SUPPORT

- 8.1 The Contractor will place SaleSqueeze Platform on its own infrastructure and ensure its uninterrupted operation, whereby the definition of uninterrupted operation is contained in the next paragraph.
- 8.2 The Contractor guarantees to the Customer that SaleSqueeze Platform will work flawlessly for the entire hosting period, whereby flawless functionality is considered to the extent that the platform is available 99.8% of the total time in a period of 12 consecutive months. In the event of an outage that exceeds the guaranteed uptime, the Contractor issues a credit to the Customer in proportion to the time the platform was down.
- 8.3 The Contractor undertakes to carry out regular maintenance of the platform during the entire duration of the subscription relationship and to enable the flawless operation of the platform.
- 8.4 The response time is the agreed maximum time that may elapse from the moment the Customer submits a request to the Contractor (defect report) to the moment when the activities for the solution begin.
- 8.5 A critical error is considered to be any error that prevents the Customer from accepting new orders within SaleSqueeze Platform and is not related to the ERP software solution on the Customer's side, the correct operation of which the Contractor cannot guarantee.
- 8.6 The Contractor undertakes to eliminate critical errors in the shortest possible time, depending on the type of error. The guaranteed time for the elimination of a critical error, which is tied to the program code of the Contractor's platform, is 12 hours from the reporting of the critical error. In the event that a critical error cannot be eliminated within the guaranteed time, the Contractor will provide a temporary solution that will eliminate the blockage in the ordering process. If the cause of the critical error is on the side of the server space provider (Amazon cloud), the Contractor undertakes to communicate with the Customer on an ongoing basis about the status of the error correction.
- 8.7 In the case of reporting a critical error within the Business Day between 8AM and 4PM CET ("Working Hours"), the Contractor responds to the report within two (2) hours and communicates further steps to correct the error and the deadline for implementation, all counting from the moment of reporting the error to the e-mail address: support@salesqueeze.com.
- 8.8 In the case of reporting a critical error outside of Working Hours, the Contractor will respond within six (6) hours and communicate further steps to correct the error, all counted from the moment the error was reported to the e-mail address: support@salesqueeze.com.
- 8.9 A non-critical error is considered to be any error that prevents the proper functioning of the relevant functionality of the platform, which is pointed out by the Customer.

- 8.10 The Contractor undertakes to start the elimination of a non-critical error no later than 2 Business days after reporting a non-critical error and, after elimination, describe the cause, the method of solving it and the time spent to the Customer.
- 8.11 In the case of reporting a non-critical error within the Working Hours, the Contractor responds to the report on the same Business day and communicates further steps to eliminate the error and the deadline for implementation, all counting from the moment of reporting the error to the e-mail address: support@salesqueeze.com.
- 8.12 In the event of reporting a non-critical error outside of working hours, the Contractor will respond on the first Business day after reporting the error to the e-mail address: support@salesqueeze.com.
- 8.13 In the event of a non-critical error report during a Weekend (Saturday or Sunday) or National Holiday, the Contractor responds the first working day after the report to the e-mail address: support@salesqueeze.com.
- 8.14 As part of the response to the error, the contractor gives the reasons for the error, describes the solution method and provides an estimate of the hours that will be required for this.
- 8.15 The Customer undertakes to ensure the availability of the responsible person on the Customer's side during the duration of the error correction.

9. FEES AND PAYMENT

- 9.1 The Fees are subject to individual Engagement Letter or are set out in the Offer and are inclusive of all expenses and disbursements but exclusive of any applicable VAT, which will be calculated at the rate and in the manner prescribed by law from time to time.
- 9.2 The Contractor will provide the Customer with an itemized invoice for all Fees and approved expenses that become due hereunder at the end of the calendar month in which the services are provided or the expenses are incurred. Where applicable, the Contractor will ensure that the invoice is a valid VAT invoice applicable in the jurisdiction where the relevant services are received.
- 9.3 Each valid and undisputed invoice will be due and payable within fifteen (15) days after the Customer's receipt of such invoice.

10. CONFIDENTIALITY

- 10.1 Each Party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, Customer's clients or suppliers of the other Party, except as permitted by these Terms.
- 10.2 Each Party may disclose the other Party's confidential information:
- (a) to its employees, officers, representatives or advisers who need to know such information for the purposes of exercising the Party's rights or carrying out its

obligations under or in connection with these Terms. Each Party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other Party's confidential information comply with this clause; and

- (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

10.3 No Party shall use any other Party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with these Terms, and any Engagement Letter or the Offer.

10.4 The Parties may enter into separate confidentiality agreements in order to govern confidentiality of certain aspects of their dealings in a different or more detailed manner. In such cases, separate confidentiality agreements prevail over the terms of this clause.

11. INTELLECTUAL PROPERTY RIGHTS

11.1 The Contractor shall retain ownership of all the Salesqueeze IPRs. The Customer acknowledges that all the Salesqueeze IPRs and all documents and materials embodying, recording and/or relating to them shall automatically belong to the Contractor to the fullest extent permitted by law.

11.2 Any IPRs created during the course of providing the services under these Terms or Engagement Letter or Offer (whether capable of being registered or not) in connection with or in any way affecting or relating to the business of the Contractor or capable of being used or adapted for use in it or in connection with it shall stay with the Contractor and shall belong to and be the property of the Contractor.

11.3 The Customer will promptly notify the Contractor of the commencement of any proceedings brought against the Customer, or any other proceedings of which it is aware, challenging the Contractor's authorship and/or original IPR, keep the Contractor informed and follow the Contractor's reasonable directions in and about the defense of any action.

11.4 All pre-existing IPR rights vesting in the Contractor or the Customer prior to the commencement of these Terms and Engagement Letter shall remain vested in the Contractor or the Customer respectively.

11.5 The Consumer shall not use Contractor's IPRs for any purposes without Contractor's express written consent.

11.6 All Customer's IPR's used by Contractor to identify the deliverables within the execution of the services under these Terms are hereby sole property of Customer. For avoidance of doubt, the Customer's IPR shall also extend to intellectual property rights on blueprints, models, sketches, marketing materials, photos, audio and video material and similar tangible items. The Contractor shall not use Customer's IPRs for any purposes without Customer's express written consent, save as required strictly for the performance of the services and delivery of the deliverables under these Terms.

12. DATA PROTECTION

- 12.1 Notwithstanding any other provision of these Terms in exercising its rights and performing its obligations under these Terms, the Contractor, to the extent necessary, shall at all times comply with the Applicable Data Protection Laws.
- 12.2 In the remainder of this clause ascribed meaning in the Applicable Data Protection Laws shall have the same meaning when used herein.
- 12.3 In performance of its obligations under these Terms, the Contractor shall process Personal Data as a Data Processor on behalf of the Customer. In relation to such Personal Data the Data Processor shall:
- (a) act only on the documented instructions of the Customer and at all times comply with the reasonable instructions;
 - (b) at all times take all appropriate technical and organizational measures to prevent or detect a Data Breach, such Personal Data taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk to the Personal Data or Data Subjects; and
 - (c) ensure the reliability (including the provision of appropriate training) of the Contractor's personnel with access to the Personal Data; and
 - (d) only transfer it outside of the European Economic Area with the Customer's prior consent and where the recipient benefits from a finding of adequacy of protection for Personal Data transferred from the European Union or has otherwise agreed European Union standard contractual clauses on data processing in countries outside the European Economic Area for and on behalf of the Customer; and
 - (e) only to process Personal Data for and on behalf of the Customer for the performance of the services under these Terms.
- 12.4 The Contractor shall:
- (a) provide the Customer with all such assistance as the Customer may reasonably require in order to enable the Customer to comply with the exercise of a data subject's rights regarding Personal Data which Contractor processes as a Data Processor; and
 - (b) notify the Customer within 72 hours in the event of a data subject asking for copies of their Personal Data, exercising other rights regarding their Personal Data under Applicable Data Protection Laws, a complaint about processing of Personal Data or a notice from a relevant Data Protection Authority.
- 12.5 The Contractor shall answer the Customer's reasonable enquiries to enable the Customer to monitor compliance with this clause. The Customer shall be entitled to conduct audits of all processing of Personal Data conducted by the Data Processor pursuant to these Terms, under such circumstances as the Customer may reasonably direct, to ensure that the Data Processor is complying with the terms of this clause.
- 12.6 The Contractor shall not without Customer's prior written consent:

- (a) use any Personal Data otherwise than for the sole benefit of the Customer (as the case may be) and in accordance with these Terms; or
- (b) disclose any Personal Data except to those personnel of the Contractor or permitted subcontractors on a need-to-know basis only, provided always that the Contractor will ensure that any third-party recipient of the Personal Data will be bound by obligations in respect of the Personal Data which are no less onerous than those set out in these Terms. The Contractor shall maintain and make available to Customer on reasonable notice a log identifying such Contractor personnel and the extent of their access to the Personal Data from time to time; or
- (c) without prejudice to the other these Terms, disclose any Personal Data to any persons unless such persons are made aware, prior to disclosure, of the confidential nature thereof and that they owe a duty of confidence to the Customer in respect of such information; and to use reasonable endeavours to ensure that such persons comply with such duty; or
- (d) process the Personal Data in any way that would be harmful to the Customer.

12.7 The Contractor shall notify the Customer within 72 hours of any actual or suspected Data Breach of which it becomes aware and shall provide all reasonable assistance to the Customer to terminate or remedy any Data Breach by its employees or subcontractors.

12.8 Unless otherwise obliged by Applicable Laws to retain the Personal Data, the Contractor shall arrange for the return or confirm destruction of the Personal Data to the Customer, either at the end of the provision of the services under these Terms or otherwise as requested by the Customer.

13. CONFLICT

13.1 If there is an inconsistency between any of the provisions of these Terms and the provisions of any Engagement Letter, the provisions of these Terms shall prevail, unless expressly agreed otherwise in these Terms or individual Engagement Letter.

14. COMMENCEMENT AND DURATION

14.1 These Terms shall commence on the Terms of Service Commencement Date and shall continue for an indefinite period of time.

15. LIMITATION OF LIABILITY

15.1 Except for any remedies that cannot be excluded or limited under law, Contractor, its affiliates, subcontractors and suppliers will not be liable to Customer for any loss, damages, claims, or costs whatsoever including any consequential, indirect or incidental damages, any lost revenues or lost profits or goodwill, any damages, resulting from business interruption, personal injury or failure to meet any duty of care, or claims by a third party, whether such liability is asserted on the basis of contract, tort or otherwise, even if Contractor has been advised of the possibility of such loss, damages, claims, or costs.

15.2 In any event, Contractor's aggregate liability and that of its affiliates, subcontractors and suppliers will be limited to the amount paid for the Salesqueeze Platform, if any. This limitation will apply even in the event of fundamental or material breach or a breach of the fundamental or material terms of these terms. Notwithstanding the foregoing, Contractor's liability to Customer for data breach will not exceed two times the amount paid by Customer to company during the twelve months prior to when the liability arises.

16. FORCE MAJEURE

16.1 Force Majeure Event means any circumstance not within a Party's reasonable control including, without limitation:

- (a) acts of God, flood, drought, earthquake or other natural disaster;
- (b) epidemic or pandemic;
- (c) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- (d) nuclear, chemical or biological contamination or sonic boom;
- (e) any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition;
- (f) collapse of buildings, fire, explosion or accident;
- (g) prolonged outages of telecommunication and electricity networks

16.2 If a Party is prevented, hindered or delayed in or from performing any of its obligations under these Terms by a Force Majeure Event ("**Affected Party**"), the Affected Party shall not be in breach of these Terms or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

16.3 The Affected Party shall:

- (a) as soon as reasonably practicable after the start of the Force Majeure Event, notify the other Party of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under these Terms; and
- (b) use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations.

16.4 If the Force Majeure Event prevents, hinders, or delays the Affected Party's performance of its obligations for a continuous period of more than 3 weeks, the Party not affected by the Force Majeure Event may terminate these Terms by giving 3 weeks' written notice to the Affected Party.

17. SURVIVAL

17.1 On termination (or expiry) of these Terms, however arising, each Engagement Letter then in force at the date of such termination shall continue in full force and effect for the remainder of

the term of such Engagement Letter, unless terminated earlier in accordance with the terms of such Engagement Letter.

17.2 The termination of any Engagement Letter shall not affect any other Engagement Letter or these Terms.

17.3 On termination of these Terms, the following clauses shall continue in force: clause 1 (Interpretation), clause 10 (Confidentiality), clause 15 (Limitation of liability), clause 18 (Survival), clause 28 (Governing law), clause 29 (Jurisdiction).

17.4 Termination of these Terms shall not affect any rights, remedies, obligations, or liabilities of the Parties that have accrued up to the date of termination, including the right to claim damages in respect of any breaches of these Terms which existed at or before the date of termination.

18. VARIATION

18.1 No variation of these Terms shall be effective unless it is in writing and signed by the Parties (or their authorized representatives).

19. WAIVER

19.1 A waiver of any right or remedy under these Terms or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.

19.2 A failure or delay by a Party to exercise any right or remedy provided under these Terms or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under these Terms or by law shall prevent or restrict the further exercise of that or any other right or remedy.

20. RIGHTS AND REMEDIES

20.1 Except as expressly provided in these Terms, the rights and remedies provided under these Terms are in addition to, and not exclusive of, any rights or remedies provided by law.

21. SEVERANCE

21.1 If any provision or part-provision of these Terms is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of these Terms.

21.2 If any provision or part-provision of these Terms is deemed deleted under clause 22.1 the Parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

22. ENTIRE AGREEMENT

- 22.1 These Terms along with (any) Engagement Letter and the Offer and other Schedules to the Engagement Letter constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 22.2 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in these Terms. Each Party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in these Terms.

23. ASSIGNMENT AND OTHER DEALINGS

- 23.1 Neither Party shall assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any or all of its rights and obligations under these Terms without the prior written consent of the other Party.

24. NO PARTNERSHIP OR AGENCY

- 24.1 Nothing in these Terms is intended to, or shall be deemed to, establish any partnership or joint venture between any of the Parties, constitute any Party the agent of another Party, or authorise any Party to make or enter into any commitments for or on behalf of any other Party.
- 24.2 Each Party confirms it is acting on its own behalf and not for the benefit of any other person.

25. NOTICES

- 25.1 Any notice or other communication given to a Party under or in connection with these Terms shall be in writing and shall be made pursuant to Engagement Letter.
- 25.2 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

26. VERSIONS

- 26.1 These Terms can be concluded in any number of versions, which must be marked with the number VYEAR-version/date. All versions must be published on the Contractor's website, and the Engagement Letter must contain information about the version that applies to the relevant Engagement Letter.
- 26.2 The Contractor is not obliged to provide a copy of these Terms in the correct version physically to the Customer (e.g. by fax or e-mail), as only these are always available on the Contractor's website.

27. GOVERNING LAW

27.1 These Terms and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of Slovenia.

28. JURISDICTION

28.1 Any dispute, controversy or claim arising out of or in relation to these Terms and any Engagement Letter, including the validity, invalidity, breach or termination thereof, shall be escalated as follows:

- (a) in the first instance be referred to the operational management representatives of the Parties for discussion and resolution as soon as reasonably possible and, in any event, within 30 (thirty) days of such referral.
- (b) If the matter is not resolved at this meeting, the escalation will continue through to senior management representatives of the Parties as soon as reasonably possible and, in any event, within a further 30 (thirty) days.
- (c) if there is failure to reach agreement between the Parties' senior management representatives within a 30 (thirty) day period (or such other length of time as the Parties may agree) the matter shall be referred to chief executive representatives of the Parties; and
- (d) if there is failure to reach agreement between the Parties' Managing Directors and/or chief executive representatives within 30 (thirty) days from the date the dispute or difference was first referred to them under this Clause (or such other length of time as the Parties may agree), either Party may issue court proceedings.

28.2 If the unresolved matter is having a serious effect on the provision of the services under these Terms, the Parties will use reasonable endeavors to reduce the elapsed time in completing the process. Neither Party may initiate any legal action until the process has been completed, unless such Party has reasonable cause to do so to avoid damage to its business or to protect or preserve any right of action it may have.

28.3 The Parties agree that all negotiations to settle the matter will be conducted in confidence and without prejudice to the rights of the Parties in any future proceedings.

28.4 If the Parties do not resolve differences of opinion regarding the subject matter and other provisions of Engagement Letter and Terms in accordance with the previous paragraph of this article, the dispute will be decided by the competent court in Ljubljana.