

**ROSETTA STONE (EU)**  
**DATA PROCESSING ADDENDUM**

This Data Processing Addendum (this “DPA”) forms part of the order document(s) (each a “Service Order”) and Services Agreement (collectively, the “Agreement”), entered into between the Customer named in the Agreement (“Customer”) and the Rosetta Stone EU contracting entity named in the Agreement (“Rosetta Stone”), pursuant to which Customer has purchased subscriptions to Rosetta Stone Ltd.’s (“Rosetta Stone US”) online, web-based subscription products and ancillary services (the “Services”), as further specified in the Agreement. The purpose of this DPA is to reflect the parties’ agreement with regard to the Processing of Personal Data of employees or other Authorized End Users of Customer (as defined in the Agreement) that is subject to the data protection laws in Customer’s jurisdiction by Rosetta Stone as data processor on behalf of Customer and in accordance with Customer’s instructions as data controller. All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

**1. Definitions.** For the purposes of this DPA, the following terms shall have the following meanings:

“**Personal Data**” means any information received by Rosetta Stone from Customer (including information provided directly from Customer to Rosetta Stone US) relating to Customer’s users authorized by Customer to use the Services that is sufficient to cause such person to be identified, directly or indirectly, specifically specifically by reference to any of the Categories of Personal Data specified in Annex 1, to the extent applicable.

“**Process**” or “**Processing**” means any operation or set of operations that is performed upon Personal Data, whether or not by automatic means, such as collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction.

“**Privacy Shield Framework**” means the EU-U.S. Privacy Shield Framework, which became effective August 1, 2016.

**2. SaaS-Based Services Delivered by Rosetta Stone US.**

**a.** Customer understands and agrees that the provision of the Services is delivered by Rosetta Stone US and hereby consents to Rosetta Stone’s use of Rosetta Stone US as its processor.

**b.** The parties agree that the Services are publicly available offerings of Rosetta Stone US’s SaaS-based subscription service and are provided in a multi-tenant, multi-database architecture and that individualized

client-dedicated infrastructure and/or Processing is not part of the Services. Customer understands and agrees that user information, including Personal Data, is stored by Rosetta Stone US in centrally organized data center facilities, for which client-dedicated user environments are achieved through logical segregation within a shared client infrastructure.

**c.** The parties agree that the categories of data subjects and Personal Data to be Processed are as described in Annex 1 of this DPA and the Processing shall be as required to provide the Services.

**3. Customer’s Obligations.**

**a.** Customer remains the responsible data controller for the Processing of the Personal Data subject to this DPA as instructed to Rosetta Stone. Customer warrants that its provision of Personal Data to Rosetta Stone and its instructions to Rosetta Stone related to the Processing of Personal Data shall at all times be in compliance with all applicable laws, including data protection laws, in particular with any notice and/or consent requirements, and, notwithstanding anything to the contrary in the Agreement, Customer shall indemnify and reimburse Rosetta Stone for any and all damages, losses, fees or costs incurred as a result of any third party claims or enforcement actions related to Rosetta Stone’s Processing of Personal Data in accordance with Customer’s instructions.

**b.** Customer shall not transfer or permit to be transferred to Rosetta Stone any Sensitive Personal Data (i.e., social security number, tax identification number, end user financial information, or Personal Data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, genetic data, biometric data, health

or medical data, or data concerning a natural person's sex life or sexual orientation).

#### **4. Rosetta Stone's Obligations.**

**a.** Rosetta Stone will Process the Personal Data only for the purpose of fulfilling its obligations under the Agreement or as otherwise instructed in writing by Customer, which instructions are defined in the Agreement and applicable order document agreed to by the parties, and in accordance with the terms of this DPA, and, to extent processed by Rosetta Stone US.

**b.** Rosetta Stone will notify Customer in writing immediately upon making a determination that it has not met, or can no longer meet, its obligations under Section 4(a) of this DPA, and, in such case, will abide by Customer's written instructions, including instructions to cease further Processing of the Personal Data, and take any necessary steps to remediate any Processing of such Personal Data not in accordance with Section 4(a) of this DPA. To the extent further costs are involved in abiding by Customer's instructions, the terms of Section 4(f) shall apply.

**c.** With respect to the Personal Data transferred to or received by Rosetta Stone under the Agreement, Rosetta Stone has implemented, and will maintain, a written information security program that includes technical, organizational, and physical security measures aimed at protecting Personal Data against accidental destruction or accidental loss, alteration, and unauthorized disclosure or access.

**d.** Rosetta Stone maintains security incident management policies and procedures and shall, to the extent permitted by law, promptly notify Customer of any unauthorized disclosure of Personal Data by Rosetta Stone, Rosetta Stone US, or Rosetta Stone US's subprocessors of which Rosetta Stone becomes aware.

**e.** To the extent legally permitted, Rosetta Stone shall promptly notify Customer if it receives a legally binding request or demand from any law enforcement agency, governmental agency, court, or other authority for any Personal Data provided by Customer to Rosetta Stone.

**f.** With respect to requests for audits or other requests or additional instructions by Customer, unless otherwise expressly provided in the Agreement,

Rosetta Stone shall respond in good faith and provide Customer with information regarding Rosetta Stone's standard processes and an estimate of additional fees and costs for such audit, request or instruction that would be payable by Customer and obtain Customer's written confirmation of such fees prior to taking such action, to the extent such request or instruction is not part of the standard Services offering. Rosetta Stone shall not be obligated to address Customer's requests or instructions until written agreement on additional payments, if any, has been executed by the parties to the Agreement. If the parties cannot come to an agreement on such payments, requests or instructions, Customer may terminate the affected Services under any Service Order(s) then in effect under the Agreement upon thirty (30) days written notice to Rosetta Stone, provided, however, that Customer shall pay any outstanding Service fees and costs for the remainder of the term agreed in the applicable Service Order and without affecting the remainder Agreement.

#### **5. Subprocessing.**

**a.** In accordance with the structure of the Services as described in Section 2 of this DPA, Customer consents to Rosetta Stone US's use of subprocessors in the performance of Rosetta Stone's obligations under the Agreement in accordance with the terms of the Agreement and this DPA.

**b.** Rosetta Stone shall be liable for the acts and omissions of Rosetta Stone US and its subprocessors to the same extent it would be liable if performing the services of each such subprocessor directly under the terms of this DPA, except as otherwise set forth in the Agreement.

**c.** Rosetta Stone shall, no more than once per year, upon written request from Customer, provide Customer a list of all subprocessors engaged by Rosetta Stone US for the processing of Personal Data in accordance with this DPA.

**d.** In accordance with the structure of the Services as described in Section 2 of this DPA, to the extent Customer objects to the use of any particular subprocessors utilized by Rosetta Stone US, Customer understands and agrees that Customer's sole recourse shall be to terminate the affected Services under any Service Order(s) in effect.

## **6. Governing Law.**

This DPA is governed by and construed in accordance with the laws of the jurisdiction provided for in the Agreement without regard for its choice of law rules.

## **7. Termination.**

**a.** This DPA shall remain in full force and effect for so long as the Agreement remains in effect, and shall immediately terminate if the Agreement is terminated for any reason.

**b.** The Services include self-service reporting tools enabling Customer's designated Enterprise Administrator User(s) to access and export reports with the Personal Data of its Authorized End Users at any time during the service period. Upon expiration or termination of the Agreement, Rosetta Stone shall continue to make such Personal Data available for export by Customer (i.e. allow Customer to download reports) upon request made within thirty (30) days of termination or expiration of the Agreement. After such thirty (30) day period, Rosetta Stone shall have no obligation to maintain or provide any Personal Data and may, unless legally prohibited, securely remove and delete or otherwise render unreadable or undecipherable Personal Data in its possession or control in accordance with Rosetta Stone's

then-current data removal protocols, with no liability to Licensee, unless otherwise agreed to by Licensor and Licensee in writing in the Service Order for the applicable service. When Personal Data removal has been completed, Rosetta Stone will provide written confirmation of same upon written request.

## **8. Miscellaneous**

**a.** This DPA is subject to the terms of, and fully incorporated and made part of, the Agreement. Except as expressly stated otherwise, in the event of any conflict between the terms of the Agreement and the terms of this DPA, the relevant terms of this DPA shall take precedence. This DPA shall amend and supplement any provisions relating to Processing of Personal Data previously negotiated between the parties in the Agreement (including any existing Data Processing Exhibit or any other data processing terms within the Agreement).

**b.** The Agreement and this DPA shall apply only between Rosetta Stone and Customer and shall not confer any rights to any third parties.

**c.** All other terms and conditions of the Agreement remain unchanged.

## **EEA CROSS BORDER TRANSFERS APPENDIX**

This EEA Cross Border Transfers Appendix to the DPA is applicable to transfers of Personal Data from the European Economic Area (“EEA”) to the Rosetta Stone US, for which Rosetta Stone US represents and warrants that it provides adequate protections in accordance with the requirements of European Union Directive 95/46/EC of 24 October 1995 or, once in effect, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (collectively, “EEA Data Protection Law”). Pursuant to this undertaking and pursuant its certification to the Privacy Shield Framework, Rosetta Stone and Customer agree to the following:

**a.** In accordance with the European Commission’s “adequacy” decision for Privacy Shield, Rosetta Stone and Customer agree that Privacy Shield provides adequate protection under EEA Data Protection Law for the transfer of personal data from the EEA to the United States.

**b.** Rosetta Stone hereby represents and warrants that Rosetta Stone US (i) has self-certified to the Privacy Shield Framework (Rosetta Stone US’s Privacy Shield certification is available at <https://www.privacyshield.gov/participant?id=a2zt000000TOVNAA4> and more information on Rosetta Stone’s Privacy Shield certification is available at <http://www.rosettastone.com/privacy-shield>) and that any transfers of Personal Data to Rosetta Stone US under the Agreement are within the scope of its certification to the Privacy Shield Framework; (ii) shall at all relevant times for purposes of this DPA maintain a “current” Privacy Shield Framework certification status with the U.S. Department of Commerce related to its Processing of Personal Data; and (iii) shall remain at all times in compliance with the requirements of the Privacy Shield Framework and will abide by the Privacy Shield core principles of Notice, Accountability for Onward Transfer, Security, Data Integrity and Purpose Limitation, Access, and Recourse, Enforcement and Liability; as well as the Privacy Shield Supplemental Principles where applicable.

**c.** In accordance with the Notice Principle, Rosetta Stone US will inform data subjects of, among other things: (i) its participation in the Privacy Shield; (ii) its commitment to subject to the Privacy Shield principles all personal data received from the EU in reliance on the Privacy Shield; (iii) the purposes for which it stores or accesses, and uses Personal Data about them; (iv) how to contact Rosetta Stone US with any inquiries or complaints, including any relevant establishment in the EU that can respond to such inquiries or complaints; (v) the type or identity of third parties to which it discloses Personal Data and the purposes for which it does so; (vi) the rights

of data subjects to access their personal data; and (vii) the independent dispute resolution body designated to address complaints and provide appropriate recourse free of charge to the data subject.

**d.** In accordance with the Accountability for Onward Transfer Principle, in Rosetta Stone US’s role as processor to Customer, to transfer Personal Data to a third party acting as a subprocessor, Rosetta Stone US will: (i) transfer such data only for limited and specified purposes; (ii) ascertain that the subprocessor is obligated to provide at least the same level of privacy protection as is required by the Principles; (iii) take reasonable and appropriate steps to ensure that the agent effectively processes the Personal Data transferred in a manner consistent with Rosetta Stone US’s obligations under the Principles; and (iv) upon notice, take reasonable and appropriate steps to stop and remediate unauthorized processing.

**e.** In accordance with the Security Principle, Rosetta Stone US will maintain reasonable and appropriate measures to protect Personal Data from loss, misuse and unauthorized access, disclosure, alteration and destruction, taking into due account the risks involved in the processing and the nature of the personal data.

**f.** In accordance with the Data Integrity and Purpose Limitation Principle, Personal Data will be limited to the information that is relevant for the purposes of processing. Rosetta Stone US may not process Personal Data in a way that is incompatible with the purposes for which it has been provided to Rosetta Stone US by Customer or subsequently authorized by the data subject to Customer. To the extent necessary for those purposes, Rosetta Stone will take reasonable steps to ensure that personal data is reliable for its intended use, accurate, complete, and current, by enabling Customer to manage and update (as applicable) the Personal Data of Customer’s data subjects through self-service administrator tools

included in the Service. Further, Rosetta Stone will adhere to the Principles for as long as it retains such information.

**g.** In accordance with the Access Principle, to the extent legally permitted, Rosetta Stone shall promptly notify Customer if it or Rosetta Stone US receives a request from any data subject of Customer's for access to, correction, amendment or deletion of such data subject's Personal Data beyond what is provided for as part of the Services. Neither Rosetta Stone nor Rosetta Stone US shall respond to any such data subject request without Customer's prior written consent except to confirm that the request relates to Customer. Rosetta Stone or Rosetta Stone US (as applicable) shall provide Customer with commercially reasonable cooperation and assistance in relation to handling such data subject's request for access to such data subject's personal data. Customer shall be responsible for Rosetta Stone's or Rosetta Stone US's (as applicable) reasonable costs arising from Rosetta Stone's provision of such assistance.

**h.** In accordance with the Recourse, Enforcement and Liability Principle, Rosetta Stone US will ensure effective privacy protection that will include robust mechanisms for assuring compliance with the Principles, recourse for data subjects who are affected by non-compliance with the Principles, and consequences for the organization when the Principles are not followed.

**i.** In event that Rosetta Stone US's "current" certification status with the U.S. Department of Commerce ends, or the Privacy Shield Framework is no longer deemed to provide "adequate" protection to Personal Data by the European Commission, Rosetta Stone shall promptly execute such supplemental data transfer and processing terms with Customer as may be reasonably agreed to between the parties in order to comply with the cross border transfer requirements of EEA Data Protection Law, including, but not limited, to the European Commission Standard Contractual Clauses.

## ANNEX 1

### DETAILS OF THE PROCESSING

#### **Categories of Data Subjects**

Customer may submit Personal Data to the Services, the extent of which is determined and controlled by Customer in its sole discretion, subject to the terms of the Agreement and the DPA, and which may include, but is not limited to the following categories of data subjects:

- Employees, agents, advisors, contractors, or other personnel of Customer or any of its subsidiaries or affiliates (who are natural persons), and any other end users authorized by Customer to use the Services under the Services Agreement.

#### **Categories of Personal Data**

Customer may submit Personal Data to the Services, the extent of which is determined and controlled by Customer in its sole discretion, subject to the terms of the Agreement and the DPA, and which may include, but is not limited to the following categories of Personal Data:

- First and last name
- Title/position
- Employer
- Contact information (company, email, phone, physical business address)
- ID data
- Professional life data for the purpose of language learning
- Personal life data for the purpose of language learning
- Month and year of birth (for speech recognition software functionality)
- Gender (for speech recognition software functionality)
- Connection data
- General geographic location (e.g., country/city)
- Username and password
- IP, device ID, and/or MAC address (to the extent such information qualifies as personal data under applicable law)
- Usage data
- Localization data
- Other personal data as may be provided by Customer or the data subject related to the use of the Services

#### **Special Categories of Data or Sensitive Personal Data**

None