

Magyar Telekom Group - General Terms and Conditions for Procurement

1. Contract structure

Present Simplified Contractual Conditions apply to contracts concluded by any member company of the Magyar Telekom Group indicated on the purchase order (hereinafter referred to as **MT**) and by the Partner for the purchase of products and/or services. The supply of Product is understood by the Parties, as purchase contract with agreed date of delivery. Furthermore, the purchase order placed by the MT, the technical specification, and in case it is definitely expressed in the purchase order, the accepted offer of the Partner are also parts of the contract. Partner shall be entitled and obliged respectively to deliver exclusively on the basis of the purchase order.

2. Definitions

Magyar Telekom Group shall mean those affiliated companies seated in Hungary or abroad, that are directly or indirectly controlled by Magyar Telekom Plc.

The MT and the Partner are commonly referred to as **Parties** in present contract.

In case the contract is concluded on rendering services "**Partner**" is considered as Contractor and / or Assignee, "**Product**" indicates services, "**Calendar day**" means the day of a calendar month indicated with the calendar number of that day.

3. Stipulation of different terms, communication

Partner may propose amendments to the present contractual conditions in writing within 5 (five) working days upon receipt of the purchase order, otherwise MT is entitled to consider the purchase order to be accepted by Partner.

Anyway, the statements of the Parties made by e-mail or fax are also valid if the other Party confirms it by any of this means.

4. Delivery, Performance

All costs of the transport to the place of delivery shall be borne by the Partner.

In case of deliveries to the Central Warehouse Partner can be informed about the warehouse opening hours via following the link: <https://beszerzes.telekom.hu/beszerzes/portal>. For other deliveries, the date of delivery shall be agreed with the recipient indicated in the purchase order within reasonable time prior to the dispatch. The waybill shall include the SAP order number and the item numbers thereof; otherwise MT is entitled to reject the acceptance of goods and to return them at the expense of Partner.

In case of delivery of intellectual property (software) Partner shall install, test and integrate it with the MT's existing systems without hindering the MT's operation.

5. Receipt, Performance acceptance, inspection

Qualitative and quantitative acceptance shall be accomplished by the recipient indicated on the purchase order at the place of delivery. The acceptance does not restrain the MT from latter claims on breach of the Contract. The results of the qualitative and quantitative acceptance shall be recorded in a protocol (delivery note or hand-over protocol). In case of faulty performance, the acceptance documents shall contain the exact description of failures and/or defects, the expected date of the remedy. In case the Parties dispute the failure and/or defect, they may appoint an expert to decide. Should the expert judge the claim to be justified, all costs related to the procedure shall be borne by the Partner, otherwise by the MT. In case of a performance according to the Contract, the performance is acknowledged by the relevant certificates (either by a hand-over protocol, or by a verified waybill, or by a Performance Acceptance Certificate [TIB]).

Ordinary use of the Product shall not itself, solely be deemed as acceptance by the MT and does not entitle MT to claim payment.

6. Invoicing, payment

No payment may be claimed by the Partner for the fulfilment in excess of the stipulated fee. In case of stipulation of payment on time basis no payment may be claimed for the term of travel and transport and for awaiting time. MT shall effect no advance payment.

Payment term is 60 days from the receipt of Partners invoice by the MT, except the Parties agree otherwise which shall be indicated in the purchase order.

The date of financial fulfilment shall be the date of debiting the MT's bank account. The certificate of the performance acceptance shall be attached to the invoice. In case of continuous service provision, the performance acceptance and invoice shall be submitted on a monthly basis.

The electronic invoice shall be issued to the name of the MT (1097 Budapest, Könyves Kálmán krt. 36.). Link to the detailed information on electronic invoicing (technical steps, email address):

<https://beszerzes.telekom.hu/beszerzes/portal/objects-beszerzes/doc/eszamla.pdf>

If the electronic invoice system does not work, MT shall receive invoices at the following address:

Magyar Telekom Nyrt., Accounting and Tax Directorate

Postal address: 1438 Budapest, Pf. 380.

Payment shall be made by bank transfer to the Partner's bank account. Should the Partner claim payment to an other bank account than the one registered in the corporate registry, it shall declare by a formal statement that the other bank account is held by the bank for the Partner.

The invoice shall indicate the SAP number of the purchase order and the item number. The invoice shall contain 1 (one) purchase order number only. In case the invoice is not issued subject to a purchase order, then MT's cost center, or MT's PST code, or MT's internal purchase number shall be indicated. If any data is missing, MT is entitled to return the invoice as unidentifiable. In case of any delay resulting from this, MT shall not be claimed to pay an interest on late payment.

The date of payment shall be the day on which MT's account is debited.

7. Right of Use

The MT is entitled to unlimited use of uniquely developed or customised intellectual property delivered, and all relating property rights (specified in Chapter III. of the law No. LXXVI./1999.) are also granted.

Accordingly, the MT is entitled to modify, improve, enhance, sell or destroy the intellectual property by itself or by third Party and to transfer the relating property right partially or in whole without Partner's consent. In case of uniquely developed or customised software, the Partner shall hand over the source code – as part of the delivery – to the MT.

In case of commercially purchasable intellectual property the Partner warrants for the grant of the appropriate scope of rights of use in respect of the purpose of the contract.

Should a third party raise a legitimate claim affecting the MT's use rights, the Partner shall indemnify the MT for all relating costs and damages as well as Partner shall at its cost conciliate and co-operate with the MT in disputing such claims

8. Warranty, faulty performance,

Unless otherwise provided in national law or otherwise agreed by the Parties, warranty period is 12 months from the date of delivery. Partner shall rectify the default under warranty within 8 working days upon receipt of the notification on the defective performance without additional charge.

In case of inspection of deliverables by sample testing or if the number of defective Products exceed the expectable quantity the MT may claim the replacement of the related shipment (or part of it) and the cost arisen due to such replacement.

9. Penalty

MT is entitled to claim penalty from the Partner, if the breach of contract occurs for reasons attributable to Partner. Basis of the penalty shall be the gross fee of the related part of the deliverable, which is affected by the breach of contract, but not less than one-hundred thousand HUF.

Extent of penalty:

- In case of delay 1 percent per day, maximum 20 percent
- In case of faulty performance 15 percent
- In case of terminating failure of contract 20 percent

Payment of penalty becomes due,

- if the delay ends
- if the grace period expires without due delivery
- if the amount of penalty reaches its highest amount
- in case of penalty for faulty performance at the time of raising a claim
- in case of terminating failure of contract when the respective party becomes aware of it

By executing this contract the Parties explicitly agree, that the Partner was with due care and detail notified by MT on the type and magnitude of potential damages that might be caused by the breach of this contract.

10. Environmental Protection, wrapping

According to Act CLXXXV of 2012, Section 23, Partner shall provide information on the product's packaging in terms of waste management. The product or the wrapping respectively shall show their low-waste durable or recyclable features and material composition. If the goods contain hazardous materials, components, according to Act XXV of 2000, Section 3, at shipment Partner shall provide „Security Data Sheet“ as defined by the regulation of European Parliament and Council No. 1907/2006/EC (Registration, Evaluation and Authorisation of Chemicals, „REACH“) or Partner shall provide access to such Security Data Sheet. The „Security Data Sheets“ is available on the web site (<https://beszerzes.telekom.hu/beszerzes/portal>) of the Procurement Directorate of the MT in menu „For our Partners“, submenu „Environmental Protection“ after registration.

According to Act CLXXXV of 2012, § 24, and to Government Decree 197/2014. (VIII.1.), Partner shall take back the wastes of the electrical equipment under this contract. Partner shall not claim remuneration from MT for the take-back. In line with the Government Decree 442/2012. (XII.29.) Partner shall take back packaging materials supplied along with the products from MT as soon as they become waste on the MT's site and shall carry away wrapping wastes. Partner may not claim remuneration from MT for the take-back. Partner shall comply with the requirements of the Government Decree 374/2012. (XII. 18.) and the modifications thereof, with special respect to the limitation of use of certain materials in electrical equipment and to indemnify any damage caused by the failure to comply with the Decree.

Should the Partner fail to fulfil its duties specified in this clause, the MT may – even by the engagement of a third party – complete such duties at the Partner's cost. If duties in relation with REACH oblige the MT and cannot be transferred to the Partner, it shall immediately notice the MT on this and support it at the reasonable extent to complete such duties.

If the laws of the European Community are not applicable to the Partner, it shall engage a representative under such laws at its own cost and shall comply with article 8 of REACH by the conduct of such representative as well as inform the MT on this engagement.

11. Packaging

Partner shall provide packaging according to the nature of the Product to keep it undamaged during transport and permanent storage. Markings

applied on the packaging shall clearly show content information such as name, type, quantity, manufacturing date, expiry of the fitness for use, manufacturer's name and the SAP number of the purchase order.

12. Confidentiality, security, personal data protection

By the conclusion of this contract the Parties shall herewith undertake to treat all information disclosed to them in relation with the contract and during the fulfilment of the contract as strictly confidential business secrets. All facts, information, solutions or data are considered to be business secrets, which, if published, received or used by unauthorized persons, could infringe or jeopardize the holder's legitimate financial, economical or market interests. The disclosure of such information by any other means to third party is only allowed with the explicit and prior written consent of the other Party. If any of the Parties fails to comply with this commitment, the respective Party may claim penalty from the other party as high as the amount of the penalty for terminating failure of contract, which becomes due on the day of breach of contract, furthermore, it is also entitled to immediately terminate the contract. Regardless to the termination of the contract the obligation of confidentiality shall remain effective. It cannot be considered as an infringement of confidentiality if MT discloses the existence and/or the contents of the contract to its (i) parent company (DT), (ii) to the member companies of the Magyar Telekom Group.

The Partner shall comply with the security regulations applicable to MT's operation and accessible at

<https://beszerzes.telekom.hu/beszerzes/portal>.

In case MT engages data processor regarding the personal data of MT's employees or subscribers during the term of the cooperation the Parties shall conclude data processing agreement.

13. Subcontractors, other contributors

Partner may engage subcontractor or other contributor with the prior written consent of MT in order to fulfil his contractual obligations.

14. Transfer of rights and obligations

Partner shall not assign all or any contracted obligations, interests or benefits to third party without the prior written consent of the MT.

15. Anti-Corruption Provisions

The Partner declares and undertakes to comply with MT's Social Charta during its business operation and the fulfilment of this contract (https://www.telekom.hu/about_us/society_and_environment/society/egal_opportunities).

Partner is aware of MT's (hereafter Magyar Telekom Group) obligation to comply with the anti-corruption rules and confirms by signing the supply contract that He will not use any amount or any other consideration paid by Magyar Telekom Plc. or Magyar Telekom Group members to Him for unlawful purposes, including those that would violate provisions of anti-corruption laws, such as corruptly making or cause to be made direct or indirect unlawful benefits (including but not limited to cash, discount, overpayment, contribution, commission) payments to any public official* or other private person, in order to provide assistance for for any of the Magyar Telekom Group members, or anyone acting on their behalf in obtaining or retaining business with, or directing business to, any person, or securing any improper advantage.

Member, official, owner and employee of the Partner may not be a public official/office and Partner may not employ, or have otherwise corruptly compensate or offer to compensate, any public officials/office, furthermore Partner may not make, or corruptly cause another to make any direct or indirect unlawful benefits, to any public officials/office, for the purpose of influencing or inducing any decision for the benefit of Magyar Telekom Group.

If a member, official, owner and employee of the Partner is a public official, Partner shall declare to Magyar Telekom Group within three (3) working days upon receipt of Magyar Telekom Group's purchase order which member, official, owner and employee of the Partner is a public official and what positions they hold at what public office respectively. Magyar Telekom Group will confirm or withdraw its purchase order within three (3) working days upon receipt of such declaration or may request Partner to deliver further data.

Partner shall not employ any sub-contractor, consultant, agent or representative without a thorough documented examination of his person, reputation and integrity.

Partner shall not employ any sub-contractor, consultant, agent or representative who does not comply with anti-corruption rules, and in any case of violation of anti-corruption laws Partner shall immediately inform Magyar Telekom Group of such event.

Partner shall cooperate to a reasonable extent with Magyar Telekom Group

- in case of any misuse with regards to proceedings relating to compliance with applicable laws and regulations especially compliance with anti-corruption regulations where Magyar Telekom Group or the Contracting Party is affected and/or
- in case corruption related suspicion arise either Parties have information regarding such suspicion.

Partner shall provide information to Magyar Telekom Plc. or to members of the Magyar Telekom Group on the receipt and use of payments made by Magyar Telekom Plc. or members of the Magyar Telekom Group to Him within fourteen (14) days upon receipt of such a written request.

Magyar Telekom Plc. or Magyar Telekom Group members may terminate the Supply Contract with immediate effect if Partner violates the anti-corruption laws or the provisions of this clause of the General Terms and Conditions for Procurement.

*The term „ public official" shall include the following persons:

- officers, office holders or employees of (i) a government or any department, agency, or instrumentality thereof (legislative, administrative and judicial), (ii) a regional governmental body, local municipalities or (iii) a public international organization;
- persons acting in an official capacity or exercising a public function for or on behalf of any such government or department, agency, or instrumentality thereof, regional governmental body or public international organization;
- officials of a political party (or the political party as a whole);
- candidates for government office;
- officials of international public organizations, such as the United Nations or the World Bank;
- individuals who have functional authority as an official, but are not actually in the employment of the government;
- consultants and special advisors to governments or government officials; and
- officers and employees of public-owned enterprises and institutions, even those operating in a commercial capacity, including hospitals, health facilities and universities.

Public office includes: central or regional, state, governmental, local governmental (including the decentralised organizations operating under

supervision of the government) or international, legislative, administrative or judicial organisation

16. Sustainability

The Partner warrants that its declarations made before contracting, during the vendor pre-qualifications process are true.

The Partner undertakes to co-operate effectively with MT without charging any additional fee, cost, to allow auditing the Partner and its subcontractors' compliance with MT's sustainability standards (this involves online or web audit, as well). MT shall notify the Partner on the need for such audit and shall conduct, considering also the interests of the Partner, the audit at its own cost, without reasonable disturbance of the Partner's operation.

The Parties assume important and they proactively co-operate in achieving their common striving for sustainability on their own cost. Should they detect non-compliance, they notify each other and the affected Party manages to resolve such non-compliance at its own cost.

17. Entire Agreement

The Parties expressly agree that neither the eventual rights and obligations arising from their former common practice of contracting, nor the otherwise usual industrial business conditions do not become part of this contract

18. Exclusion of services for third party

The Parties and third parties explicitly entitled by this contract are allowed to claim delivery of Product only. Third party, not expressly entitled by this contract, is not allowed to claim delivery of Product.

19. Managerial responsibility restriction

The Parties expressly waive - to the extent permitted by law - to enforce any compensation for damages or any other claim against other MT's senior officers in relation to this Contract. MT's senior officers may directly refer to this limitation of liability.

20. Legal Disputes, jurisdiction

Parties agree that in the case of any lawsuit related to the contract the ordinary courts of Hungary shall have exclusive jurisdiction. Any matter not covered by the contract shall be governed by the laws of Hungary.

21. Termination of the contract

MT may terminate this contract by a 30 days' written notice without cause. In case of a material breach of contract, especially in case of breach of anti-corruption rules, any of the Parties may terminate the contract with immediate effect in writing, after the provision of a written notice claiming remedy of such breach and granting reasonable grace period for such remedy.

22. Effective date

This contract shall become effective on the day, when the purchase order is released, unless Partner proposes amendment subject to clause 3. Should the Partner propose amendment within this term, the contract shall become effective on the Parties' respective agreement.