

## Vodafone Hungary General Procurement Terms and Conditions

Present Simplified Contractual Conditions apply to Contracts concluded between **Vodafone Magyarország Zrt.** (referred to as Customer) and **Supplier (the Customer and the Supplier are commonly referred to as Parties)** for the purchase of **products and/or services**. **The following conditions shall apply unless otherwise agreed in writing. Present terms do not apply to operative contracts came into effect earlier between the Parties.**

### 1. Definitions

„Supplier” is considered as Subcontractor and / or appointee in case of contract for providing services. „Product” indicates services if the contract is concluded for service providing. The provisions of contract made between Parties are applied by the Parties if they are applicable for Supplier's liabilities.

### 2. Structure of the contract

The Purchase Order, the technical specification that covers the item(s) to be supplied, and in case it is definitely expressed in the contract, the accepted offer preliminary provided by the Supplier are also parts of the Contract. Supplier shall be entitled and obliged respectively to perform exclusively on the basis of the Purchase Order.

### 3. Defining different terms

**Purchase Orders (PO) go electronically, without signature from the Customer's SAP system to Supplier via email. Supplier may express his different opinion on present Contractual Conditions in writing within 3 (three) working days upon receipt of the Purchase Order, otherwise Customer is entitled to consider the Purchase Order to be accepted by Supplier. Customer reserves the right to ask for separate feedback from Supplier about receipt of the electronic PO, based on separate agreement.**

### 4. Delivery, Performance

Supplier is entitled to provide fulfillment in advance or partial fulfillment only based on written permission of the Customer. All costs arising from the transport to the place of fulfillment shall be borne by the Supplier. The date of delivery shall be agreed with the delivery/recipient address within reasonable time prior to the dispatch. The delivery note shall include the PO number and the item numbers thereof; otherwise Customer is entitled to reject the acceptance of goods and to return them at the expense of Supplier.

Supplier shall provide a 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 PO number of the Purchase Order.

### 5. Receipt, Acceptance, Acknowledgement, Test

Qualitative and quantitative acceptance shall be accomplished by the recipient indicated on the Purchase Order at the place of delivery. The acceptance does not abolish the right to assert claims resulting from a breach of the Contract later. The results of the qualitative and quantitative acceptance shall be recorded in a protocol (delivery note or hand-over/takeover protocol). In case of faulty performance, the acceptance documents shall contain the exact description of the quantity or quality faults, the way and date of the remedy. Should there be any dispute between the Parties as for the judgment of the quality, they may ask for the appointment of an expert. If the expert identifies the quality claim to be justified, all costs related to the procedure shall be borne by the Supplier, otherwise by the Customer. In case of a performance according to the Contract, the performance is acknowledged by the relevant certificates (either hand-over/take-over protocol, or verified delivery note).

### 6. Invoicing, payment

Customer shall effect no advance payment. **Payment terms are 60 days from invoice receipt**, except the Parties otherwise agree. This shall be indicated in the Purchase Order. Payment of the price of a product shall be effected - upon receipt of the invoice submitted following the successful performance - by bank transfer. If the due date for payment is a day off, public holiday, or bank holiday, the period shall be extended to the first bank working day thereafter. The certificate of the performance acknowledgement shall be attached to the invoice. In case of continuous service providing, the performance acknowledgement and invoice shall be submitted on a monthly basis. The invoice shall be written in 1 copy addressed to the name of the Customer (with its address) shown on the Purchase Order. Customer is entitled to reject faulty or incomplete invoices.

Postal address for service for the invoices: **Vodafone Operations Centre Hungary Ltd., H-1087 Budapest, Hungaria krt. 40-44.**

The invoice shall indicate the PO number of the Purchase Order and the item number. If they are missing, Customer is entitled to return the invoice as unidentifiable. In case of any delay resulting from this, Customer shall not be obliged to pay an interest due to late payment. The day on which the payment is effected is the day on which Customer's account is debited. If pricing is indexed to foreign exchange rates, the official exchange rate of the National Bank of Hungary valid on the day of the actual performance shall be used when writing the HUF invoice.

### 7. Right of Use

The Customer is entitled for unlimited use of the intellectual product provided during Contract performance, and relating property rights are also granted. Accordingly, the Customer is entitled to modify, sale or destroy the intellectual product

without Supplier's consent by itself or third Party. In case of individually developed software, the Supplier shall hand over the source code to the Customer. The value, the one time fee of these rights is included in the fee paid by the Customer.

#### **8. Guarantee**

Unless otherwise provided in national law or otherwise agreed by the Parties, guarantee period is 12 month from the date of performance. Supplier shall rectify the fault falling under guarantee within 8 working days upon receipt of the notification on the defective performance without additional charge.

#### **9. Penalty**

Customer is entitled to claim for penalty against Supplier/Contractor, if the breach of contract occurs for reasons attributable to Supplier/Contractor. Basis of the penalty shall be the gross counter value of the portion of the contract, which is affected by the breach of contract, but at least ten thousand HUF.

Extent of penalty:

- In case of delay 1 percent per diem, maximum 20 percent
- In case of faulty performance 20 percent
- In case of frustration of contract 20 percent

Payment of penalty becomes due,

- if the delay becomes discontinued
- if the extension period expires without success
- if the amount of penalty reaches its highest amount
- in case of penalty for faulty performance at the time of raising an objection
- in case of frustration of contract when the eligible party becomes aware of the impossibility of performance.

Customer is entitled to assert any claim expressible in money terms against Supplier/Contractor by means of offsetting through compensation. By accepting present contract, Supplier/Contractor accepts such compensation.

#### **10. Environmental Protection**

According to Act XLIII of 2000, Section 7, Supplier is obliged to provide information of the product and its packaging in terms of waste management. The product or the packaging 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, Supplier is obliged to provide „Safety Data Sheets” as defined by the Decree of the Minister for Health 44/2000.(XII.27.) EOM. According to Act XLIII of 2000, Section 8, and to Government Decree 264/2004. (IX.23.), Supplier is obliged to take back the wastes of the electrical equipment covered by the contract. Supplier is not allowed to claim for any remuneration from Customer for the take-back.

Supplier shall accept the obligation to take back packaging materials supplied along with the products in the spirit of the Government Decree 94/2002. (V.5.) from Customer as soon as they become waste on the Customer's locations.

Supplier shall take care of the removal of packaging wastes. Supplier is not allowed to claim for any remuneration from Customer for the take-back. Supplier shall commit to fully meet the requirements of the Decree

16/2004. (X.8.) KvVM 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. If the package contains electrical equipments, please indicate on it the net weight related to electrical equipments in order to fulfill the EU-regulations and the requirements included in Decree 1995/LVI.

#### **11. Obligation of Secrecy**

Parties shall herewith undertake to treat all information disclosed to them in connection with the contract and with the activities resulting from the execution of the contract as business secrets strictly confidentially, and make their subcontractors, employees to do so as well. 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 hereto. If any of the Parties fails to comply with this commitment in any form, he shall pay penalty to the other party as high as the amount of the penalty for frustration of contract, which becomes due on the day of breach of contract; furthermore, he is also entitled to immediately terminate the contract. Independently of the termination of the contract the obligation of secrecy for the Parties shall remain effective. Parties agree that Vodafone is entitled to disclose the content of present contract and contract related information to Vodafone Group Plc and to all companies where Vodafone Group Plc (directly or indirectly) owns minimum 15% of the share capital or the voting rights, by ensuring that disclosure and handling of these confidential information is in line with the current contract.

#### **12. Code of Ethical Purchase**

Supplier accepts and keeps regulations of Vodafone Group's Code of Ethical Purchasing, which document can be found on the following website: <http://www.vodafone.hu/beszerzes>

#### **13. Anti-bribery**

Supplier shall comply with all applicable laws, regulations and sanctions relating to anti-bribery and anti-corruption, including but not limited to the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act.

**14. Subcontractors, assistance in performance**

Supplier may use subcontractors with the prior written consent of Customer in order to fulfill his contractual obligations. Supplier shall exercise all technical and trade due diligence when selecting the subcontractors and concluding contracts with them since he represents the interests of the Customer.

**15. Assignment**

Supplier/Contractor shall not assign all or any obligations, interests or benefits whatsoever incumbent on him under present contract without the prior written consent of Customer to Third Party.

**16. Legal Disputes/Jurisdiction**

Parties agree that in the case of any lawsuit related to the contract the Capital City Court and the Central District Court of Buda respectively shall have exclusive jurisdiction. Any matter not covered by the contract shall be governed by the provisions of the Hungarian Civil Code.

**17. Termination of Contract**

Customer is entitled to withdraw from present contract made between Parties according to the Hungarian Civil Code; furthermore he is entitled to terminate it on 30 days' written notice without the need to pay compensation.

In case of a serious breach of contract, any of the Parties is entitled to immediately terminate the contract in writing, after having set a reasonable extra time in a notice for discontinuation of the breach of contract, and this extra time has elapsed unsuccessfully. Parties can change contract by common assent in written.

**18. Coming into Force**

Present contract made between Parties shall be concluded and come into force on the day on which the Purchase Order is released, unless Supplier makes a disagreement statement according to Chapter 3.

If the disagreement is submitted within this period of time, the contract shall come into force on the day on which the Parties explicitly state that they reached an agreement.

Vodafone Hungary Ltd.

(Address: H-1096 Budapest, Lechner Ödön fasor 6., Court registration number: 01-10-0044159, Tax number: 11895927-2-44)

August 2011