

Terms and Conditions of Purchase

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Chapter A: General provisions

The provisions contained in Chapter A apply to the procurement of products and services.

Article 1 Scope

These General Conditions of Purchase shall apply to all products and/or services delivered to all Dutch subsidiaries and affiliates of Royal KPN N.V. (hereinafter 'KPN'), including but not limited to KPN B.V., insofar as other Agreements have not expressly been concluded. In all instances KPN shall reject supplementary and deviating conditions made known by the Supplier, regardless of whether such conditions materially change a purchase order and regardless of whether KPN has accepted or paid for the goods of the Supplier. Any reference made to a quotation, offer or proposal of the Supplier shall not constitute acceptance of all conditions or requirements contained in the document concerned. KPN is entitled to amend a stipulation in the General Conditions of Purchase. The amendments come into effect four weeks after the announcement or on a later date stated in the announcement.

Article 2 Establishment of agreements

- 2.1. Agreements shall be established at the time the Supplier accepts the KPN Purchase Order. A Purchase Order shall be deemed accepted:
 - a) if the Supplier has expressly accepted the Purchase Order;
 - b) at such time as the Supplier starts to carry out the Purchase Order; or
 - c) if the Supplier has not expressly rejected the Purchase Order within three working days of receiving it.
- 2.2. KPN can cancel the purchase order until the time of delivery. In such event, KPN shall reimburse only real costs demonstrably incurred by the Supplier up to the time of delivery.

Article 3 Billing and payment

The Supplier shall not bill the amount owed for products and/or services procured by KPN earlier than on the date of delivery of the products and/or performance of the services. The Supplier shall state the billed amount on a single bill and shall not render any part bills. KPN shall not be obliged to pay such part bills. Bills shall be submitted to the Accounts Payable department of KPN, unless Parties have agreed that KPN shall submit the bills ('self-billing').

At the request of KPN, the Supplier shall use an electronic billing platform (of a third party) where the payment status shall be viewable. Each Party shall bear its own costs for use of the aforementioned electronic billing platform. The Supplier accepts that KPN shall share the bill status with a third party selected by KPN. Each bill shall satisfy the legal requirements concerning such matters as value added tax and shall meet the billing requirements stated at www.kpn.com. The simple paying or receiving of bills without protest shall not constitute KPN's acceptance of the bill or of the soundness of the billed items. Owed amounts shall be paid within sixty days of receipt of the bill, provided always that the bill meets the requirements stated in this article.

KPN shall have the right to suspend payment in whole or in part for such time as the Supplier fails to fulfil its obligations. If KPN erroneously omits to pay an undisputed bill, the Supplier shall be entitled to late payment interest of three percent on an annualised basis. Interest shall be calculated over the undisputed amount from the due date. All claims of the Supplier in relation to KPN shall cease to exist on expiry of a period of two years, starting from the day after the day that the claimed receivable became payable or, if it is earlier, the day when the Supplier became aware of the claimed receivable.

Article 4 Warranty

The Supplier warrants that delivered products, performed services and/or achieved results shall be in accordance with the specifications stated in the Agreement. The Supplier further warrants that delivered products shall be free of defects and made of sound materials. Without prejudice to KPN's entitlement to compensation for all costs and damage resulting from a deficiency or unsuitability of a product and/or the result delivered by the Supplier, the warranty means, among other things, that at the first written request of KPN the Supplier shall immediately at its expense completely repair any defects occurring during the warranty term or provide replacement by an identical product and/or result within three weeks of the date of KPN's written notification.

In the case of products, the warranty further means that at the request of KPN the Supplier shall issue a credit note equal to the total number of returned defective products, based on the most recently applicable purchase price or some other agreed price or method.

The warranty period for products for KPN consumers shall be twenty-four months from the date of sale to the consumer, subject to a maximum of thirty months after the date of delivery. The warranty period for other products shall be eighteen months, starting from the date of delivery, unless otherwise stipulated in the Agreement. Without prejudice to its other rights, KPN may in urgent cases itself repair the defective products (or parts thereof) at its customers' premises at the expense of the Supplier. On request the Supplier shall in such cases provide free of charge spare parts and/or tools and/or render all possible support.

The Supplier and its suppliers shall comply with the requirements stated in the Supplier Code of Conduct viewable at www.kpn.com. KPN shall have the right from time to time to perform or to commission a third party to perform an audit or similar type of check in respect of compliance with the Supplier Code of Conduct. The Supplier shall with appropriate urgency meet any requests made by KPN for information about compliance with the Supplier Code of Conduct.

Article 5 Intellectual property rights

5.1. The Supplier hereby transfers to KPN the full (intellectual)

(property) right to and interest in every result of the work that the Supplier performs for KPN specifically in the development and supply of the products and services, and for which KPN (largely) pays, which transfer KPN hereby accepts in advance with effect from the moment these rights arise. Insofar as necessary, the Supplier hereby grants KPN an irrevocable authorisation to have any deeds passed in the Supplier's name that may be necessary for the transfer of the aforementioned (intellectual) (property) rights. Insofar as permitted by law, the Supplier waives the rights cited in Section 25 of the Copyright Act 1912. The Supplier will supply the source code of the software developed for KPN within 10 (ten) working days after KPN has accepted the specific result in accordance with the required specifications.

- 5.2. If and insofar as already existent intellectual property rights of the Supplier rest on the products supplied, services performed and/or results, the Supplier hereby grants KPN a perpetual licence with regard to such rights, including the right to grant its customers a sub-licence. The Supplier will, at the request of KPN, give the source code of all software in the already existing intellectual property rights to a third party in escrow and KPN has the right to be a beneficiary in the escrow agreement.
- 5.3. The Supplier indemnifies and defends KPN against and compensates KPN for all costs arising from any actions stemming from or in connection with a claim that the products supplied and/or services performed or any part thereof and/or the commercial use thereof by KPN within its business operations, directly or indirectly or partly infringes the intellectual property rights of any third party or results in the unlawful disclosure, unlawful use or illegal appropriation of a third party's company secrets (hereafter: 'the Infringement'), on condition that KPN notifies the Supplier within a reasonable time frame of the Infringement and involves the Supplier in the defence and the negotiations connected with an arrangement or settlement. In the event of such an Infringement, the Supplier will ensure that KPN's business operations are not interrupted or disturbed. All costs incurred by KPN in connection with the Infringement will be reimbursed by the Supplier. All (intellectual) property rights to resources KPN provides to the Supplier are retained by KPN and/or its licensors. The Supplier is required to clearly designate resources as KPN's (intellectual) property, keep these in good condition, store them separately and insure them against all risks at the Supplier's expense, as long as the Supplier holds the resources for KPN. The Supplier will only use the resources for the duration and benefit of the performance of the Contract and will return these to KPN at the latter's first request.

Article 6 Non-disclosure

Neither KPN nor the Supplier shall disclose to any third parties any product, market, customer or business information concerning the other Party, unless such information:

- i) is in the public domain, without this having been caused by violation of this duty of non-disclosure;
- ii) was developed independently by the other Party without making use of such information;
- iii) was obtained by the other Party lawfully from a third party that is not bound by a similar non-disclosure obligation; or
- iv) must be disclosed by law or regulation, court ruling or pronouncement by a regulatory body. Parties shall use the aforementioned information solely for the purpose of performing

the Agreement concluded by and between them. Parties shall impose the same obligations as stated above on any persons they engage in performance of the Agreements concluded by and between them. The aforementioned non-disclosure obligations shall remain in force for the term of this Agreement and for two years after the Agreement ends.

Article 7 Personal data

- 7.1. In fulfilling its obligations under a Purchase Order/Agreement, the Supplier shall comply with all applicable laws and regulations concerning the protection of personal data that concern KPN (such as its employees, customers, business relations and contact persons), in particular the General Data Protection Regulation, the Personal Data Protection Act and the Telecommunications Act. The Supplier shall process personal data that concern KPN only on and in accordance with the instructions of KPN (unless otherwise required by law) and solely to the extent necessary for fulfilment of its obligations under a Purchase Order.
- 7.2. General obligations under the General Data Protection Regulation ('GDPR'). Every Supplier that saves, uses, retrieves or otherwise processes personal data is a processor within the meaning of the GDPR. The Supplier shall process personal data only after having concluded a Data Processor Contract with KPN. The Supplier shall keep a record of the processing operations that it carries out on behalf of KPN and, if applicable, under joint processing responsibility. If the Supplier processes large quantities of data, the Supplier shall furthermore appoint a Privacy Officer. On the instructions of KPN, the Supplier shall implement measures to help KPN comply with the rights of data subjects whose personal data are processed. The Supplier shall allow both the Dutch Data Protection Authority and KPN to check its compliance with privacy rules. If there is a conflict between instructions issued by KPN and legislation, the Supplier shall immediately inform KPN so as to enable Parties to find a solution that does not conflict with legislation.
- 7.3. Sub-processors and processing operations outside the European Economic Area (EEA). The Supplier shall engage sub-processors only after obtaining written permission from KPN. Unless it has obtained the express prior written permission of KPN, the Supplier shall not process or cause the processing of any personal data by third parties in countries outside the EEA. These processing operations may occur only under a Data Processor Contract based on the 'EU Standard Contractual Clauses' for the transfer of personal data to processors established in third countries within the meaning of Article 46(2), c and d, of the GDPR.
- 7.4. Retention periods. On expiry of the statutory retention period, the Supplier shall destroy the personal data or return them to KPN.

Article 8 Security requirements and data leaks

- 8.1. Technical and organisational security measures. To assure the confidentiality, integrity and availability of the data that the Supplier processes or to which it has access, the Supplier shall demonstrably take appropriate and effective technical and organisational security measures which, taking into account the state-of-the-art technology and the costs involved, are consistent with the nature of the personal data to be processed, in order to protect the personal data against loss, unauthorised disclosure or any form of unlawful processing, and also to guarantee the (timely) availability of the data. Parties may separately agree

technical security measures by means of the KPN Security Policy (KSP) and may set down such measures in a separate Security Annex. The technical and organisational security measures shall in any event include:

- a) measures to ensure that only authorised personnel have access to the personal data for the defined purposes;
 - b) measures whereby the Supplier gives its personnel and sub-processors access only to personal data via registered accounts, with the proviso that use of such accounts shall be adequately logged and that the accounts shall provide access only to personal data to which the person concerned needs access;
 - c) measures to protect the personal data against accidental or unlawful destruction, accidental loss or alteration, unauthorised or unlawful storage, processing, access or disclosure;
 - d) measures to identify weak spots in relation to the processing of personal data in systems used to provide services to KPN;
 - e) measures to guarantee the timely availability of the personal data to KPN;
 - f) measures to ensure that personal data are logically processed separately from personal data that the Supplier processes for itself or for third parties;
 - g) measures that guarantee secure network connections;
 - h) any other measures that Parties have agreed in the Data Processor Contract;
 - i) if agreed: measures Parties have agreed based on the KSP, as laid down in a separate Security Annex;
 - j) The Supplier shall ensure that personnel involved in the processing of personal data have signed a non-disclosure agreement. At the request of KPN, the processor shall allow KPN to inspect the non-disclosure agreement.
- 8.2. Monitoring for data leaks. The Supplier shall actively monitor for data leaks such as breaches of the security measures. At such time as a data leak occurs, has occurred or might occur, the Supplier shall immediately inform KPN, and in all instances within 24 hours of discovery, both by telephone and by email via (1) the KPN Privacy Officer at privacyoffice@kpn.com, and (2) the KPN Security, Compliance & Integrity Helpdesk at securityhelpdesk@kpn.com, telephone number 0800 404 04 42 or 030 6588448. At that time the Supplier shall provide all relevant information about:
- a) the nature of the data leak;
 - b) the affected and potentially affected personal data and data subjects;
 - c) the established and likely consequences of the data leak;
 - d) the measures that have been or will be taken to resolve the data leak or to mitigate the consequences/damage to the fullest possible extent.

The Supplier shall investigate and rectify the breach and shall limit its negative consequences for the privacy of the data subjects. If the Supplier is established in another EU member state, the Supplier shall further comply with the relevant and applicable privacy laws of its country of establishment. The Supplier shall hold KPN harmless for all costs that KPN must incur as a result of a data leak or other violation of personal data.

Article 9 Dissolution of the agreement

- 9.1. If the Supplier fails to fulfil, to fulfil on time or to fulfil properly its obligations under the agreement(s), KPN shall serve the Supplier with notice of breach unless the Parties have agreed a deadline and/or fulfilment has become permanently impossible. The

Supplier shall then be in breach without further notice and KPN shall have the right to dissolve the agreement(s), in whole or in part with immediate effect, without recourse to the courts, or to suspend performance or further performance of the agreement(s) with the Supplier, without prejudice to its other rights, including the right to compensation for damage.

- 9.2. Without prejudice to any other rights to compensation for any damage it has incurred, KPN shall further have the right to dissolve the Agreement, in whole or in part with immediate effect, without any liability for compensation for costs of the Supplier, without recourse to the courts and without notice of breach, if:
- the Supplier discontinues its business activities;
 - the Supplier has petitioned for or has been granted suspension of payments;
 - a petition for bankruptcy has been filed by or against the Supplier, or the Supplier has been declared bankrupt;
 - all or some of the assets of the Supplier have been seized; or
 - control over the business of the Supplier has transferred to a third party.

Dissolution shall occur by written notification.

- 9.3. KPN shall further have the right to cancel the Agreement at any time, without stating reasons, subject to a period of notice of at least two months. The Supplier shall then be entitled – to the exclusion of other claims including but not limited to claims on the grounds of lost profits, lost savings, impaired goodwill and/ or lost coverage of overhead costs – to reimbursement for all work correctly performed in conformity with the Agreement prior to cancellation, based on the prices and rates stated in the Agreement. KPN shall not be under obligation to hold the Supplier harmless in any other way for the consequences of cancellation of the Agreement.

Article 10 Applicable law, disputes and language

Dutch law shall govern these General Conditions of Purchase and all Agreements of which they form an integral part. The conditions of delivery shall be interpreted in accordance with the meanings assigned to them in the most recent version of Incoterms. Application of the UN Convention on Contracts for the International Sale of Goods ('Vienna Sales Convention') is expressly excluded. Any disputes in connection with these General Conditions of Purchase and Agreements of which they form an integral part shall be referred to the competent court of law at The Hague, the Netherlands. The General Conditions of Purchase are published in Dutch and English versions. In the event of differences of interpretation, the English version shall prevail and shall be binding between the Parties.

Article 11 Audits

For the term of the Agreement and for two years after it ends, KPN shall have the right to have an audit performed by its Internal Accountants or by an independent auditor in respect of performance of the Agreement by the Supplier, including in any event the quality of the conduct of business by the Supplier, the quality of its business processes, the accuracy of reports and bills, and compliance with legal requirements and obligations under the Agreement. The Supplier shall provide its full cooperation in such an audit. When performing the audit, the auditor shall exercise all due care and shall act in accordance with professional auditing standards.

Chapter B: Provision applicable to products

In addition to the provisions made in Chapter A, the provisions contained in Chapter B shall apply exclusively to the procurement of products.

Article 12 General requirements for products

- 12.1. Products shall always:
- function in accordance with and in every respect satisfy the matters agreed;
 - satisfy the contents of the agreed documentation (in English);
 - satisfy requirements laid down by or pursuant to law;
 - satisfy the properties made known by the Supplier;
 - be CE-marked;
 - be free of material, manufacturing, construction and design errors.
- 12.2. The Supplier must comply with the requirements for additional equipment (Radio equipment and (RED) and EMC Directives).

Article 13 Harmful substances and/or preparations

The Supplier warrants that the products shall not contain any substances and/or preparations that are prohibited by or pursuant to any law applicable to the products.

Article 14 Delivery of products

The SV001 delivery and packing document shall apply to all Suppliers that deliver goods at KPN warehouses. The Supplier shall not deliver products purchased by KPN with accompanying documentation earlier than on the agreed date. Delivery shall take place Delivery Duty Paid, as laid down in the most recent version of Incoterms, on the date and at the delivery address agreed in the Agreement. Partial deliveries shall not be allowed without the prior written permission of KPN.

Article 15 Inspection during and after delivery

Within a period of thirty days starting from the date of delivery, the consignment or product (or part thereof) may be rejected on observance of any failure to comply with the general requirements contained in Article 12 (General requirements for products) of the General Conditions of Purchase and/or with the agreed requirements laid down in the Agreement. If a consignment or product (or part thereof) has been rejected, the Supplier shall at its expense, within three working days of receiving notice of rejection, in accordance with the request of KPN:

- as yet deliver anything found to be missing; or
- if requested, collect the rejected goods and then repair or replace them and redeliver them after repair or replacement.

During manufacturing and/or within thirty days of delivery, KPN shall further have the right to have the (partly) produced products tested by an independent test institute. If the test institute rejects the products, the costs of testing shall be payable by the Supplier. If the rejected goods are not collected within a reasonable period of time, they may be sent back at the expense of the Supplier. At the time of collection or sending back, the ownership and risk attached to the goods shall transfer back to the Supplier.

The repaired, replaced or subsequently delivered consignment or products (or parts thereof) may be inspected or re-inspected. If the products are again rejected, the Supplier shall, if requested by KPN, as yet fulfil its obligations within a period of time stipulated by KPN. The costs of re-inspection and shipment shall be payable by the Supplier.

Article 16 Product liability

The Supplier shall indemnify KPN for all third-party claims regarding defective products within the meaning of the product liability provisions contained in the Netherlands Civil Code.

Chapter C:

Provision applicable to services

In addition to the provisions contained in Chapter A, the provisions contained in Chapter C shall apply exclusively to the procurement of services.

Article 17 General requirements for services

- 17.1. The Supplier warrants that it shall perform the services with the degree of carefulness, expertise and professionalism customary within its sector and that the results shall meet the agreed specifications and/or service descriptions.
- 17.2. Without the prior written permission of KPN, the Supplier shall not assign and/or outsource its obligations under an Agreement, either in whole or in part, to any third party (including through posting). The Supplier shall impose on the third party the same obligations as those applicable between KPN and the Supplier. Even after written permission, the Supplier shall remain responsible and fully liable for performance and fulfilment of all of its obligations and those of the aforementioned third parties, including but not limited to the remittance of value added tax (VAT), payroll tax, social insurance contributions and employee social security contributions, and for observance of prevailing legislation. At the first request of KPN, the Supplier shall provide KPN with the required information about the work performed by such third parties.
- 17.3. At the request of KPN, the Supplier shall cooperate with third parties designated by KPN.
- 17.4. The Supplier shall make available only qualified persons for the agreed services. If KPN has legitimate doubt about the suitability of a person, KPN may request replacement of that person as soon as possible at the expense of the Supplier.

Article 18 Examination and approval

- 18.1. The services shall be examined and the results approved on behalf of KPN by designated persons and/or departments. If in the opinion of KPN the services have not been performed in conformity with what was agreed and/or if the results fail to meet the specifications, KPN shall have the right to refuse the services and/or results. Refusal by KPN shall be made known in writing, stating the reasons for the decision. The Supplier shall rectify errors and/or shortcomings without delay. Any costs incurred for that purpose shall be payable by the Supplier.
- 18.2. Without prejudice to the provisions made in Article 17.1, KPN and the Supplier may jointly make random checks. Any errors or shortcomings revealed by such sampling shall be rectified by the Supplier without delay, if necessary also in earlier results.

Article 19 Rates and charges for services

- 19.1. Unless otherwise agreed, the services shall be paid for based on an agreed fixed price. The price paid shall cover the total compensation due for all services performed under the Agreement, including any additional services and/or changes to the services.
- 19.2. Unless otherwise agreed, the rates stated in the Agreement shall

apply throughout the term of the Agreement.

- 19.3. All expenses shall be included in the agreed rate. Travel costs and travel time may be claimed only if incurred for a business trip of which the start and end differ from the agreed place of work and the trip was made on the instructions of KPN.

Article 20 Taxes and social security contributions

- 20.1. At all times the Supplier shall be and shall remain responsible and liable for fulfilment of its obligations under the Agreement that arise from tax and social security laws. The Supplier shall indemnify KPN against claims brought in this respect.
- 20.2. At the first request, the Supplier shall, within thirty days of the request, submit to KPN evidence of fulfilment of its tax obligations in the form of a 'Certificate of payment conduct in fulfilling tax obligations' issued by the Dutch Tax and Customs Administration that is not older than three months. If the Supplier fails to submit this certificate, KPN shall have the right, for such time as the failure continues, to suspend all payments to the Supplier under the Agreement until the certificate has been submitted. KPN shall not owe any interest if this situation arises.
- 20.3. KPN may deposit on the blocked bank account ('G' account) of the Supplier the amount for which KPN may be held liable under Section 34 and/or Section 35 of the Collection of State Taxes Act. For that purpose, the Supplier shall make known its blocked account number to KPN and shall also state it on all bills. If Section 34 is applicable, KPN shall apply as a percentage fifty-five percent of the billed amount (exclusive of VAT), unless otherwise agreed in writing. If Section 35 is applicable, KPN shall apply as a percentage thirty percent of the billed amount. The Supplier shall allow such amounts to be paid into its blocked account.
- 20.4. Except with the prior written permission of KPN, the Supplier shall not have the agreed work performed by any self-employed professionals. A self-employed professional means any person that is not on the payroll of the Supplier or of a third party, including a director who is a major shareholder of his/her own company but the company, apart from that director, does not have any other employees on its payroll. If KPN has not granted the aforementioned written permission, KPN shall not be bound to make any payments for work performed by any self-employed professional. The Supplier shall indemnify KPN for any damage arising from back-assessments of payroll taxes, social insurance contributions, employee social security contributions and contributions under the Care Insurance Act that are imposed on KPN by the Dutch Tax and Customs Administration, including any penalty and interest related to the engagement of self-employed professionals.

Article 21 Non-competition clause

For a period not exceeding one year after termination or dissolution of the Agreement, the Supplier shall ensure that a person who was made available to KPN shall not be deployed at competitors of KPN to perform work that, materially, is closely related to the work performed for KPN, unless KPN and the Supplier have agreed differently. In all such cases, the Parties shall define as accurately as possible the field of work and the competitors to which this clause shall apply.