General Terms and Conditions for Purchasing by the Deutsche Telekom Group (GTC Purchasing)

Part B: Specific terms for Germany

1. Quality Management, Environmental Protection

(1) Contractor shall adhere to Customer's requirements for quality management and environmental protection. If stipulated in the specification, Contractor shall document the application of (i) a quality management system in accordance with DIN EN ISO 9001, TL 9000 or a similar quality management system and shall provide data with respect to the metrics described either in the TL 9000 Quality Management System Measurements Handbook or in the agreed upon quality management system and (ii) an environmental management system in accordance with either DIN EN ISO 14001 or the ECO-Management and Audit Scheme.

(2) With respect to the ElektroG [German Act Governing the Sale, Return and Environmentally Sound Disposal of Electrical and Electronic Equipment], the Contractor shall assume the Customer's obligations resulting therefrom, and if such obligations are not transferable support the Customer in meeting its obligations without remuneration. In particular the Contractor shall, at no extra costs and according to the Customer's instructions, mark the products with an identification of the producer (§ 7, sentence 1 ElektroG) and the required symbol (§ 7, sentence 2 ElektroG in conjunction with Exhibit 2 of the ElektroG).

2. Integrity and Cooperation

The Contractor ensures to comply with all the obligations regarding the Mindestlohngesetz [minimum wage legislation] for himself and its subcontractors. In this sense and upon request by the Customer, he is – among others - obliged to document respective minimum wage payments. The Contractor shall indemnify the Customer from any legal consequences (including fines) resulting from failure to comply with minimum wage requirements. He shall further immediately inform the Customer as soon as any suspicion arises in case any of its subcontractors does not comply accordingly.

3. Default

(1) In the event of default ["Verzug"], the statutory provisions shall apply, unless otherwise provided for below.

(2) Also a default of Customer with regard to payment shall require a prior reminder of no avail from Contractor.

(3) If a penalty is agreed, Customer may reserve the contractual penalty right any time up to the final payment.

4. Rescission or Termination for Good Cause

The Customer is further entitled to extraordinary terminate the agreement in case the Contractor or its subcontractors do not comply with the regulations of the minimum wage legislation.

5. Product Liability

(1) Insofar as Contractor is accountable for a damage on the basis of product liability, Contractor undertakes to indemnify Customer against any claims for damages by third parties upon first written request. Same applies in cases of joint and several liability in accordance with the product liability law.

(2) In addition, Customer shall be entitled to reimbursement of all costs and expenses incurred in this context, in particular those incurred by product recalls. Customer shall notify Contractor of the type and scope of recall actions, if this is possible and can be reasonably expected.

(3) Customer shall immediately inform Contractor of the assertion of claims based on product liability and shall not make any payments or recognize any claims without consultation with Contractor.

(4) Other statutory claims shall remain unaffected.

6. Transfer of Risk, Acceptance, Inspection for Defects

(1) For the transfer of risk and title the statutory provisions shall apply, unless otherwise agreed.

(2) The supply of movables which are to be manufactured or produced as well as installation services require a written acceptance ["Abnahme"] by Customer. The transfer of risk occurs with acceptance. Any implied acceptance, in particular by Customer's use of the products or services, is excluded.

(3) Apart from that with regard to deliveries, the risk is transferred to Customer upon arrival at the place of receipt and upon counter-signing of the delivery note by an authorized employee of the Customer. Upon delivery, Customer shall inspect the delivery only for obvious defects (identity, completeness and damages in transit). In the case of large-scale deliveries, Customer shall be allowed to narrow the inspection to random checks. In all other respects, Customer is released from the obligation to inspect and object to defects set forth in § 377 HGB [German Commercial Code].

7. Liability for Defects

(1) Contractor shall be liable for defects during the periods prescribed by statute, commencing on the date of transfer of risk or, if acceptance has been provided for, upon acceptance by Customer, and guaranteeing the contractual and defect-free condition and defect-free functioning of the products or services for which Contractor is responsible. The period of liability is extended by the time the products or services cannot be used correctly.

(2) The statutory provisions shall apply to defects arising during the limitation period for claims for defects. Contractor is obliged to bear the cost of all expenses arising in connection with the liability for defects. Other statutory claims available to Customer shall remain unaffected.

(3) Unless longer limitation periods are provided by law, Customer's claims due to warranty of title are subject to a limitation period of two years from the time a third party alleges infringement of intellectual property rights or any other rights or Customer becomes aware of the defect of title otherwise.

8. Data Protection, Protection of Professional Secrets

(1) The following information shall also be collected on employees, vicarious agents and subcontractors to be deployed who require a work or residence permit as per applicable German and European law in order to take up work in Germany: validity period of the work or residence permit, restriction of weekly working hours as per the work permit, restriction of place of deployment as per the work permit, restriction of duties/position as per the work permit.

(2) If the Contractor provides its services for the Customer vis-à-vis a person subject to a legal obligation of professional secrecy ("Berufsgeheimnisträger"), the Contractor shall observe the "Obligation to protect confidential information pursuant to section 203 StGB (German Criminal Code)" (under www.telekom.com/en/company/global-procurement).

9. Work and Residence Permit

(1) Where employees, vicarious agents or subcontractors are deployed, Contractor hereby assures that all necessary official approvals (i.e. work and/ or residence permits) have been obtained. Contractor shall indemnify Customer from any legal consequences resulting from failure to comply with these requirements.

(2) As an independent contractor, Contractor shall undertake to properly submit any value-added tax received to the tax office and to independently and properly pay tax on any remuneration received from Customer.

10. Deployment Bans

(1) Contractor's attention is expressly drawn to the fact that it is strictly forbidden for civil servants who left the Deutsche Telekom Group by taking early retirement to perform any further work for the Deutsche Telekom Group, either directly or indirectly. This shall also apply, in principle, to former employees of the Deutsche Telekom Group for a period of 15 months after leaving the company, if they have received severance payment in connection with termination of employment. In addition, if in the specific instance the Customer's procurement department has not issued in advance a written exclusion, a general deployment ban shall exist for current employees of the Deutsche Telekom Group.

(2) Against this background, Contractor, in turn, shall undertake to ensure that in providing its service to Customer, the retired civil servants stated in number 10 (1) or personnel as defined by number 10 (1), sentence 3, shall not be deployed as employees or temporary workers or as subcontracted work or service providers or in any other way, and none of the former employees specified in number 10 (1) are deployed as subcontracted work or service providers or as temporary workers lent to units of the Deutsche Telekom Group.

(3) If Contractor violates the provisions of this number 10 Customer shall be entitled to terminate the agreement for good cause. Customer also expressly reserves the right to assert damage claims due to such violation.

11. Invoices, Terms of Payment, Taxes

(1) The payment period shall be 30 days net. The payment period shall commence on the first day after receipt of the verifiable invoice which meets the requirements of this number 11, but not before performance/ acceptance of the service. A 3% discount shall be applied if payment is made within 14 calendar days from the commencement of the payment period.

(2) If a credit note procedure has been agreed, the following provisions shall apply in deviation from respectively in addition to the provisions of this number 11:

Customer effects payments without Contractor submitting invoices. The payment period shall commence when Customer has finished entering the data, but no later than three working days after submission of the delivery note/service confirmation and not before provision/acceptance of the service. The service shall be billed on the basis of the delivery note/service confirmation. Contractor shall receive a credit note from Customer on a monthly basis by the third working day of the following month as proof of the services recorded by Customer electronically. The credit note shall show the services according to type and quantity, as well as the net prices, the value-added tax rate, the value-added tax amount and the total amount for each delivery note/service confirmation.

(3) The liability for value-added tax shall pass to Customer if Contractor is not a German company and the services ["Dienstleistungen"] or sales performed under a contract for work and materials ["Werklieferungen"] by Contractor are taxable in Germany (§ 13b UStG [German Value-Added Tax Act]). In such a case, Contractor shall not itemize German value-added tax in the invoice. If Contractor brings items from a third country to Germany in order to provide the aforementioned services or work and if in this connection turnover taxes on imports are levied, these taxes shall be borne by Contractor.

12. Assignment of claims

Contractor's claims against Customer may only be assigned with the express written consent of Customer's procurement unit. § 354a HGB [German Commercial Code] shall apply if the transaction is a commercial transaction for both parties.

13. Final Provisions

The laws of the Federal Republic of Germany shall apply, with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods and provisions referring to foreign law. The venue shall be at the court with jurisdiction at Customer's principle place of business. However, Customer shall also be entitled to have recourse to the court with jurisdiction at Contractor's principal place of business.

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