



Date of entrance into force including 1. 1. 2013
(reformed by taking account of the new Trade Mark A1 on 20. 4. 2017)

A1 telekomunikacijska storitve, d. d.
(A1 telecommunications services, joint-stock company)
Šmartinska cesta 134b
1000 Ljubljana, Slovenia

General terms and conditions for business co-operation

I. Content and Validity of General Terms and Conditions

The General Terms and Conditions for Business Co-operation (hereinafter: General Terms and Conditions) of the company A1 Slovenija, telekomunikacijske storitve (telecommunications services), d. d. (hereinafter:A1) represent the provisions and requirements governing its commercial relations with all vendors, contractors and other providers (hereinafter Co-contractor(s)) of equipment, services, work and other materials and items which may be required by A1 within the scope of undertaking its business operations.

These General Terms and Conditions are thus an integral part of each contract, understanding, purchase order or any other form of agreement (hereinafter: Agreement(s)) between A1 and the Co-contractor. Any special terms and conditions that supplement or in any way modify the provisions of these Terms and Conditions, shall only be valid if they have been agreed in writing between the contracting parties (A1 and the Co-contractor), and have been included in the Agreement in question. In the event of any disparities between the provisions of an Agreement, in which special terms and conditions have been accordingly included, and the provisions of these General Terms and Conditions, then the provisions of the Agreement shall prevail.

The Co-contractor's general terms and conditions and/or any other general terms and conditions governing business relations with the Co-contractor, to which said Co-contractor may refer and/or include in its offer and/or declaration upon receipt of A1's order form and/or are in any other way included in any document which the Co-contractor may present to A1, shall be without any legal effect. The only exception to this provision shall be those specific instances in which A1 explicitly accepts either the Co-contractor's general terms and conditions or any other terms and conditions governing business operations, and for which A1 accordingly provides a written declaration to this effect.

If A1, in its inquiry or in any other form of correspondence (either electronic mail or ordinary mail or telefax or any other manner which provides a reliable receipt of a sent notification by the Co-contractor), notifies the Co-contractor that the General Terms and Conditions shall be a constituent part of the Agreement, it shall be regarded that the Co-contractor is familiar with these General Terms and Conditions. A1's General Terms and Conditions are available on the A1's website A1.si, while upon any written request by the Co-contractor, A1 shall also send it a printed copy of the General Terms and Conditions.

The General Terms and Conditions shall be valid mutatis mutandis with respect to each individual subject of an Agreement, as well as in regard to the nature of the fulfilment of obligations by A1 and the Co-contractor which may arise from said Agreement.

The term 'fulfilment of obligations', in the context of these Terms and Conditions, shall refer to each delivery of equipment or goods, the execution of an individual service or task of work, as well as to the fulfilment of any other contractual obligation by the Co-contractor.

II. Employees, Subcontractors and Transfer of Agreement

The Co-contractor may also fulfil the provisions of an individual Agreement with A1 through third parties – i.e. through its subcontractors (hereinafter: Subcontractor(s)); namely, solely through those Subcontractors about which the Co-contractor has previously informed A1 in writing. Regardless of the notification regarding an individual Subcontractor, it shall be deemed in any event that the Subcontractors are in a contractual relationship with the Co-contractor alone.

At any given time A1 may request that the Co-contractor shall immediately replace a certain subcontractor with a new one, further to which the Co-contractor is obliged to comply with any such request.

Notwithstanding the notification sent to A1's regarding a particular subcontractor, and notwithstanding the replacement of a subcontractor upon A1's request, it shall in any event be regarded that the subcontractor has been selected by the Co-contractor and that the Co-contractor alone retains full and unconditional responsibility for said subcontractor in accordance with the provisions of these Terms and Conditions.

Within the scope of the execution of its obligations under an Agreement, the Co-contractor is responsible for its employees (full-time, contractual and others) in the same manner as it is responsible for its own deeds and actions, and it shall hence in any event be regarded that each particular obligation pursuant to an Agreement has been, or has not been, carried out by the Co-contractor alone.

If the Co-contractor fulfils obligations arising from an Agreement, through or with the aid of Subcontractors and/or any third parties, then the Co-contractor shall be responsible for their actions within the scope of execution of its obligations under said Agreement or for the fulfilment of same in the equivalent manner as it is responsible for its own actions; it shall hence, in any event, be regarded that any particular obligation pursuant to an Agreement has or has not been carried out by the Co-contractor alone, regardless of the fact whether a certain consequence is the result of the Co-contractor's actions or those of a subcontractor and/or any other such third party.

The transfer of an entire Agreement by the Co-contractor to a transferee shall not be permitted without the explicit prior written consent of A1.

III. Content, Time and Location of the Fulfilment of Obligations

The Co-contractor undertakes to carry out its obligations in accordance with the Agreement as a competent expert and with due diligence pursuant to the rules and regulations in force, as well as professional standards and rules of commerce.

The fulfilment of obligations under the Agreement (in compliance with the nature of a particular obligation) must be provided in the context of appropriately germane ancillaries, such as suitable packaging, documentation and labelling (including warnings as to hazardous substances, identification of contents and origin, etc.) in accordance with statute, regulations, standards and the rules of commerce.

Upon fulfilment of obligation, the Co-contractor shall be obliged to take over all packaging pertaining to the fulfilment of its obligation. The Co-contractor shall be further obliged to remove all waste materials and packaging that were created as a consequence of the fulfilment of the obligation arising from the Agreement. In the event that the Co-contractor does not take over all the packaging, and/or does not remove all the waste materials created as a consequence of the fulfilment of its obligations arising from the Agreement, this shall be carried out by A1 at the Co-contractor's expense.

The Co-contractor shall be obliged to carry out its obligations under an Agreement at a designated location and within a deadline, all of which shall be set forth in the Agreement; ultimately, however, such fulfilment shall take place within the scope A1's regular working hours, namely between 8 a.m. and 4 p.m. each working day from Monday to Friday. It shall be regarded that the Co-contractor's obligation under an Agreement has been fulfilled if it is accomplished, in its entirety, in a timely manner (within the agreed deadline) at the prescribed location, and A1 shall confirm such in writing. Any obligation which is carried out in good time, but not fully completed, shall be regarded as delayed.

If, by signing a document from which the subject of the fulfilment of an obligation under an Agreement is clearly evident, A1 provides the Co-contractor with written confirmation as to the fulfilment of said obligation, it shall be regarded that the particular obligation has been fulfilled by the Co-contractor. All other elements which are necessary in order to establish that the particular content of an obligation have been fulfilled by the Co-contractor, together with a calculation as to the value (cost) of this obligation (hereinafter: the delivery note) shall likewise be provided with a written confirmation. A delivery note must accompany all individual fulfilments of obligations under an Agreement and must include a precise description as to fulfilment and the full number of the purchase order. As regards goods, the delivery note should precisely prescribe the origin of said goods and (if available) their preferential origin (re duty), an 8-digit tariff number and net weight, rounded to the third decimal place, for each item on the delivery note. Such should also meet other requirements in accordance with statute, valid standards and the rules of the commerce. A1 is not obliged to take over any obligations which might contain any faults or defects.

Co-contractors shall deliver goods in compliance with and the terms DDP as per Inco terms 2010.

If, for the fulfilment of its obligations under an Agreement, the Co-contractor requires any permissions and/or consents of competent authorities and institutions in the Republic of Slovenia and/or in other countries (e.g. work permits, export licenses etc.), then the Co-contractor is obliged to acquire them, having regard to the DDU.

The Co-contractor must respect all instructions issued by A1 with regard to the manner as to how an obligation shall be performed (e.g. with the transport, forwarding and shipping of goods) and shall be liable to A1 for any damage that may be incurred as a consequence of non-compliance with A1's instructions. The Co-contractor, as a proficient expert, is in any event obliged to warn A1 as to any possible deficiencies in instructions germane to the execution of obligations. In the event that compliance with A1's instructions might cause faults or delays in the execution of contractual obligations, the Co-contractor is obliged to provide A1 with a written warning as to the errors or deficiencies, and only following A1's further explicit written instructions, comply with its requirements.

If A1 does not explicitly define the mode and manner of conveyance of goods, then shipment should be carried out at the lowest possible cost; otherwise, the burden of higher costs shall be charged to the Co-contractor. Any additional costs connected with the use of express mail service, which has been used in order to fulfil an obligation in good time, shall be charged to the Co-contractor. In the event of missing or incomplete financial instruments (e.g. letter of credit), an insufficient number of transport documents (consignment notes), and especially if any data on the purchase order, which necessarily must be reported back to A1, are missing, then A1 reserves itself the right to decline confirmation as to fulfilment of an obligation, and this shall be at the risk and ultimate expense of the Co-contractor.

IV. Documentation and Utensils Used in the Fulfilment of Obligations

If A1 provides the Co-contractor with materials that are necessary in order to carry out obligations under an Agreement, then said materials shall remain the property of A1, and the Co-contractor is accordingly responsible to A1 for the consequences of any damage to or destruction of said materials (even if such is considered a force majeure) during the period when they were in the possession of the Co-contractor. Upon A1's request, the Co-contractor is obliged to confirm receipt of materials in writing. Said materials may only be used for the needs of the execution of obligations. If the value of materials is diminished, or they are lost, then the Co-contractor is obliged to provide A1 with compensation. Any possibility of a request by the Co-contractor for compensation due to the untimely delivery of materials, or any possessory lien, is excluded.

The Co-contractor shall be obliged, if such proves necessary, to provide illustrations and practical calculations free of charge. Any tools, moulds, samples, profiles, drawings, technical specifications and suchlike, which A1 provided the Co-contractor in order that it could meet its obligations, shall remain in the possession of A1 and the Co-contractor shall not proceed the said items, as well as subsequently produced items and derivatives, to third parties without the prior written consent of A1, and shall not be allowed to be use them for purposes which are not the subject of an Agreement. Tools and moulds (utensils) and suchlike, which have been manufactured at A1's expense, shall be transferred to A1's ownership upon payment.

The Co-contractor shall mark all those attachments and utensils in the broadest sense, as the "property of A1" and protect them from unauthorized access; furthermore, if such proves

necessary, enable or restore them to the condition in which they were received. Upon the fulfilment of an Agreement, or upon expiry of the term of validity of said Agreement, the Co-contractor is obliged to return those items to A1. Notwithstanding any other rights, A1 may request the return of utensils at any time, if the Co-contractor does not respect these or other provisions, or at its own discretion. The possibility of any possessory lien in favour of the Co-contractor is out of the question.

V. Additional Provisions Pertaining to Computer Software and Hardware

The provisions relating to computer software and hardware shall be implemented, as appropriate, in accordance as to whether the Co-contractor supplies A1:

- only software, or
- only hardware, or
- both software and hardware together.

The Co-contractor expressly guarantees and vouches that the software and hardware it has provided A1 complies entirely with the technical specifications prepared in accordance with A1 needs and requirements. Technical specifications form an integral part of the Agreement. The Co-contractor expressly guarantees and vouches for the following in relation to software and hardware:

- That the software, and parts thereof, are the copyright work of the Co-contractor and/or that all pertaining copyrights and other necessary rights, consents, licenses and authorizations have been acquired from the rights holders of the software, which enable the Co-contractor to provide or pass on pertaining rights to A1 in the scope and form set forth in these General Terms and Conditions.
- That in concluding the Agreement, and by executing its obligations under said Agreement, the Co-contractor has not violated any copyright and any other right of an author, rights holder and/or any other third party.
- That there is no obstacle (legal or physical) which would encumber A1 in the exercise of its rights acquired under the General Terms and Conditions and Agreements, which would prevent A1 from using the provided software and hardware in the manner and scope stipulated by the General Terms and Conditions and the Agreement.
- That no third party shall exercise any financial and other claims vis-à-vis A1 relating to any right that A1 obtains pursuant to these General Terms and Conditions and Agreement, and that no third party will in any way restrict the scope of the rights that A1 obtains pursuant to these Terms and Conditions and Agreement.
- That the software and hardware supplied is free of, and safe from, intrusion, unauthorized data access, as well as any other abuse, and that it contains no viruses or other deleterious programmes.
- That the Co-contractor has provided written contractual agreements governing all relationships with its employees, subcontractors and other third parties through which, or with the aid of whom, it carries out its obligations under these General Terms and Conditions and Agreement, and that it has also, without any additional cost to or payments by A1, accordingly arranged all other necessary issues in order to provide A1 with all the rights pursuant to these General Terms and Conditions and Agreement.

The Co-contractor is obliged to appropriately implement and integrate the software and hardware into the existing A1 systems in the manner stipulated in the implementation plan which the Co-contractor is obliged to prepare within the deadline set forth by A1. This implementation plan, which shall accordingly be presented to A1 for approval, is an integral part of the Agreement. The Co-contractor is obliged to provide A1 with timely instructions on all necessary technical and other conditions which A1 should provide for the implementation of the software and hardware (e.g. location, cooling, cabling and hardware). The Co-contractor is responsible vis-à-vis A1 for the comprehensiveness of said instructions, and is obliged to provide all necessary help and support in the provision of technical and other conditions for the implementation of software and hardware. The Co-contractor shall be liable to A1 for any ultimate damage that may be caused as a result of its failure to provide or ensure the above.

Following the implementation of software and hardware, and prior to the delivery of such to A1, the Co-contractor is obliged to carry out testing, this with the purpose of detecting any possible faults with – and/or relating to – the operation of the new software and hardware, and accordingly eliminate any defects which may thus be revealed, before delivery to A1. Prior to A1 actually taking over the software and hardware, testing shall also be carried out by A1; the Co-contractor is

obliged to co-operate with A1 during such testing, as well as provide any necessary help and support. A1 and the Co-contractor shall carry out the testing of software and/or hardware in accordance with acceptance tests, which shall be prepared by the Co-contractor within the deadline set forth by A1, and thence presented to A1 for approval. The acceptance tests represent a constituent part of an Agreement. The Co-contractor is obliged to immediately eliminate any fault detected by A1 during the testing of software and hardware. A1 shall only take over the software and hardware if no faults are detected and operation is in accordance with the respective Agreement. Both parties shall confirm the take-over of software and hardware by signing a record of the take-over.

A1 acquires all the rights pursuant to paragraph VII of these General Terms and Conditions relating to software that has been tailor-made or adjusted according to A1's order (Bespoke software). Upon the take-over by A1, the Co-contractor is obliged to present the source code of the software on an appropriate electronic data carrier, together with all pertaining and related documentation.

As regards software which has been made for an unlimited number of users (Standard software), A1 shall acquire unlimited, non-transferable, non-exclusive, irrevocable and permanent right of use on all existing and future systems and equipment owned by A1, namely within the scope of the number of licenses which A1 acquires through conclusion of an Agreement. A1 has, inter alia, also the right to transfer the software to any other of its locations, to produce security copies of software in compliance with its policy of security copy production, and to adjust the software with the aid of configuration tools and to link it with the components and software of other producers. A1 also acquires the right to undertake the de-compilation of software components in the manner stipulated in Article 115 of the Copyright and Related Rights Act (Official Gazette of the Republic of Slovenia, No. 16/2007- Copyright and Related Rights Act ZASP-UPB3 and 68/2008)), taking into consideration its subsequent modifications and supplements.

In instances of Standard software provision, A1 may, at its discretion, require that the Co-contractor concludes an appropriate arrangement on the safe-keeping of the software source code with a nominated third party. In any such event the Co-contractor is obliged to arrange for the provision of the services of such a source code escrow agent, as may be nominated by A1 within 30 days of receipt of any such request. The contract on the safekeeping of the source code for the software shall regulate the mutual rights and obligations of the contractual parties with regard to the safekeeping of the original source code of the software and the transfer of the same to A1 upon the occasion of any of the following events:

- (i) if the Co-contractor ceases operations;
- (ii) in the event of the bankruptcy, compulsory settlement or winding up of the Co-contractor's operations;
- (iii) a breach of any of the Co-contractor's obligations set forth by these General Terms and Conditions or an Agreement.

In the event that the source code is handed to A1, it shall use it for the purpose of understanding and maintaining the software, as well as for the elimination of faults. Accordingly, A1 shall acquire rights regarding the software within the scope and for the purpose of understanding, maintaining the software as well as for the elimination of faults.

From its take-over by A1, and upon any request by A1, the Co-contractor is obliged to provide maintenance of the software and hardware. Such maintenance of hardware and software shall be provided free of charge during the warranty period, while after the expiry of warranty, the contractual price of software maintenance shall not exceed 10% of the purchase price which A1 remunerated the Co-contractor, while for hardware such maintenance cost shall not exceed 6% of the purchase price that A1 paid to the Co-contractor. The Co-contractor is obliged to provide maintenance and spare-parts for a minimum of 8 years from its take-over by A1.

VI. Training and Instructions

In relation with the fulfilment of each obligation under an Agreement, and with regard to the nature of a particular fulfilment, the Co-contractor is obliged to provide to A1 (and/or persons designated by A1) training, following which A1 (and/or persons designated by A1) will be able to independently use, upkeep and maintain such equipment, hardware or software that has been provided by the Co-contractor. Such training shall be provided by the Co-contractor to A1 free of charge, while the obligation also includes the provision of appropriate written instructions as to use, operation and maintenance of each obligation under an Agreement, and with regard to the nature of a particular fulfilment.

VII. Copyrights and Pertaining Property Rights

With regard to content, place and time - i.e. also following the expiration of any Agreement or regardless as to the validity of said Agreement - A1 shall remain the unlimited and absolute holder of all material copyrights and related rights as well as other rights which may be the subject of legal transaction in compliance with statute, and that necessarily derives from the fulfilment of the Co-contractor's obligations (including those fulfilled through the Co-contractor's employees, subcontractors and similar such third parties) under an Agreement. By way of this, A1 may, within the territory of the Republic of Slovenia and/or outside said territory for an unlimited period, inter alia, exclusively (namely, upon exclusion of the original rights holder - i.e. the Co-contractor and/or its employees and/or its subcontractors and/or third parties through which or with whom the Co-contractor fulfilled its obligations under an Agreement) undertake the following:

- use the copyright works (reproduce, publicly perform, transmit or communicates with phonograms and video grams, publicly present, broadcast or rebroadcast, secondary broadcast and make them available to the public and suchlike);
- use the copyright works in a modified form (process and adapt, as well as transform audio-visually); and
- use copies of the copyright works (distribute, lend, lease, rent, and suchlike).

With regard to content, place and time - i.e. also following the expiration of any Agreement or regardless as to the validity of said Agreement - A1 shall remain the unlimited and absolute holder of all material copyrights and related rights as well as other rights which may be the subject of legal transaction in compliance with statute and which may pertain to patent, industrial design or trademark that necessarily derives from the fulfilment of the Co-contractor's obligations (including those fulfilled through the Co-contractor's employees, subcontractors and similar such third parties) under an Agreement. By way of this (upon exclusion of the author, inventor, designer or patent holder - i.e. the Co-contractor and/or its employees and/or its subcontractors and/or third parties through which or with whom the Co-contractor fulfilled its obligations under an Agreement), A1 is the holder (owner) of the following rights within the territory of the Republic of Slovenia and/or outside said territory, for an unlimited period of time:

- any rights arising from a patent which, inter alia, also encompass:
 - o in the event that the subject matter of the patent is a product: preventing third parties who do not have A1's consent, from manufacturing, using, offering for sale, selling or importing the product in question for that same purpose as A1;
 - o in the event that the subject matter of the patent is a process: preventing third parties who do not have A1's consent, from using, offering for sale, selling or importing a product, which is produced or manufactured as a result of that procedure, for that same purpose as A1.
- any rights arising from an industrial design which, inter alia, also include:
 - o rights to use: to manufacture, store, stock, offer, market, import, export or use a product to which the design refers;
 - o the right of prevention of use by third parties who do not have A1's consent for such use;
- any rights arising from a trademark which, inter alia, include:
 - o right to its use;
 - o right to prevention of its use by third parties who do not have A1's consent for the use of that trademark.

With regard to content, place and time - i.e. also following the expiration of any Agreement and regardless as to the validity of said Agreement - A1 shall remain the unlimited and absolute holder of all other rights that might be a subject of legal transactions in compliance with statutory provisions, arising from a patent, industrial design or a trademark, which necessarily derive from the fulfilment of the Co-contractor's obligations (including those fulfilled through the Co-contractor's employees, subcontractors and similar such third parties) under an Agreement. By way of this (upon exclusion of the Co-contractor and/or its employees and/or its subcontractors and/or third parties through which or with whom the Co-contractor fulfilled its obligations under an Agreement), A1 can use those results and/or fulfilments of obligations with no limitations, process them and use them in a modified form within the territory of the Republic of Slovenia and/or outside said territory for an unlimited period of time.

A1 shall enjoy unlimited power of disposal with all the rights that it acquires through a particular Agreement. Such freedom of disposal shall also extend to those rights obtained under the General Terms and Conditions, as well as rights pertaining to copyright works, patents, designs and trademarks which derive from and pertain to the fulfilment of the Co-contractor's obligations (including those fulfilled through the Co-contractor's employees, subcontractors and similar such

third parties) under an Agreement. Such rights may be transferred to third parties freely or in return for payment, and may be unencumbered or encumbered by a lien or by another such right.

The Co-contractor expressly guarantees and vouches to A1 that in fulfilling its obligations under an Agreement, and through the execution of that Agreement, it has not and shall not violate any copyrights and/or property rights, and/or other rights, of any third party. Furthermore, the Co-contractor undertakes that:

- no person shall exercise any financial or other claim vis-à-vis A1 in relation to any proprietary or other rights which A1 has obtained pursuant to an Agreement, including those in relation to copyrights, patents, designs or trademarks which are the result of, or fulfilment of, the Co-contractor's obligations (including those obligations fulfilled by the Co-contractor's employees, subcontractors and other such third parties) pursuant to said Agreement, and that the scope of rights that A1 has obtained in the context of the Agreement shall not be restricted in any way;
- it has, or will provide, written contractual agreements governing all relationships with its employees, subcontractors and other third parties through which, or with the aid of whom, it has or will fulfil its obligations, and that accordingly any other matters, necessary to ensure A1 all the rights under an Agreement.

In the event of any violation of the rights which A1 has obtained under an Agreement and/or any breach of the Co-contractor's guarantees under an Agreement, the Co-contractor undertakes to reinstate, at its own expense, the situation as guaranteed to A1 under an Agreement and fully reimburse A1 for any damages or costs it may have incurred.

For the avoidance of any doubt, A1 and the Co-contractor agree that A1 has no additional and/or extra payment obligations towards the Co-contractor relating to rights obtained which arise from and pertain to an Agreement. Namely, that the payment for each and every right that A1 obtains in the context of and relation to an Agreement is entirely and wholly included in the payments as expressly laid down by that Agreement.

In no circumstances, save for those instances where such has been mutually agreed by A1 and the Co-contractor in writing, shall the Co-contractor obtain any rights to A1's intellectual property or to the intellectual property rights which A1 has the right to use or administer.

The Co-contractor is not permitted to utilize any A1 trademark, or a trademark for which A1 enjoys the right for use, not even as a reference, without the prior explicit written consent to such by A1.

VIII. Prices, Billing, Terms of Payment, and Reserved Amounts

All prices and other such monetary values set forth in an Agreement are expressed in their net amounts – i.e. without any taxes (such as VAT) or other statutory provisions, excise or levies which may be prescribed by law. In certain instances, prescribed by law, is A1 entitled to decrease payment by an amount equal to the amount of the withholding tax in compliance with statutory fiscal regulation. For the avoidance of double taxation, A1 undertakes to notify the Co-contractor in writing as to any withholding tax which it has paid.

All prices and other such monetary values set forth in an Agreement are final, fixed and irrevocable. Such irrevocable prices shall also encompass all associated costs necessary to carry out the Co-contractor's obligations under said Agreement (e.g. transport costs, customs duties, insurance costs, employee accommodation, and suchlike).

If the Co-contractor decreases its prices as regards equipment, services, work and other issues that represent the fulfilment of obligations under an Agreement, then that same decrease in prices shall also directly apply to the fulfilment of obligations under an Agreement and/or in its contractual relationship with A1.

A precondition for the issue of an invoice by the Co-contractor is a written confirmation of the take-over of a fulfilled obligation by A1.

On every invoice, which the Co-contractor issues to A1 pertaining to an Agreement, the Co-contractor undertakes to state the number of the pertaining order which A1 issued upon the conclusion of an Agreement.

A1 reserves itself the right to reject any invoice that has not been issued in compliance with its instructions and/or statutory provisions. This shall also apply as regards order number data, which

must be stated on the invoice or the statement on VAT. In the event that A1 rejects an invoice, it shall be regarded that said invoice has not been issued and that the payment period has not started to commence.

A1 shall settle correct and complete invoices as follows:

- within 30 days of receipt, whereby A1 is entitled to a 3% discount calculated from the invoiced amount, or
- within 60 days of receipt, whereby A1 is entitled to a 2% discount, calculated from the invoiced amount, or
- within 90 days of receipt, whereby A1 is entitled to a 1% discount, calculated from the invoiced amount, or
- within 120 days of receipt, with no discount.

The day of payment of the Co-contractor's invoice by A1 shall be regarded as the day when A1 transferred the according amount, as stated on the Co-contractor's invoice, onto the Co-contractor's bank account.

A1 has the right, especially in the case of investments, to withhold 5% of the invoiced amount, interest-free, for a period of three years commencing from the day when the payment is due. Such partial withholding of payment is to insure the Co-contractor's guarantee as to the fulfilment of its obligations (hereinafter: reserved amount).

The settlement of the Co-contractor's invoice by A1 does not represent a confirmation by A1 that the Co-contractor has correctly, completely and in a timely fashion carried out its obligation(s) pertaining to an Agreement. As such, payment does not represent any endorsement or waiver as to the possibility of claims by A1, including those for damages against the Co-contractor, with regard to issues surrounding the correctness, completeness and timeliness of the Co-contractors obligations pertaining to an Agreement.

IX. Co-contractor Warranties and Guarantees

IX./1 Warranties and the Warranty Period

The Co-contractor guarantees (vouches) that it shall fulfil all its obligations to A1 pertaining to respective Agreement. Furthermore, it undertakes that all supplementary and ancillary services it carries out shall be:

- performed pursuant to an Agreement and General Terms and Conditions;
 - of high quality;
 - in accordance with A1's needs and the purpose for which A1 has concluded an Agreement with the Co-contractor;
 - without any faults as regards material, design and manufacture;
 - in accordance with the agreed specifications;
 - in compliance with pertinent standards and provisions;
- (hereinafter: Co-contractor warranties).

The Co-contractor shall fulfil its obligations during a 36-month warranty period, calculated from the day of acceptance and take-over by A1 of the particular fulfilment of a contractual obligation by the Co-contractor.

Rules and regulations on warranties shall not prejudice the rules and regulations on the responsibilities of the Co-contractor for any faults with regard to the fulfilment of its obligations.

IX./2. Fault Repair

The Co-contractor undertakes to eliminate any mistakes or faults pertaining to the fulfilment of its obligations at its own expense, and in a manner and within the deadline stipulated in the first paragraph of Article X./2 of these General Terms and Conditions.

In the event of a repair, replacement, modification or adaptation which pertains to the fulfilment of an warranty obligation of the Co-contractor, a new warranty period of the same duration and content, as stipulated by these General Terms and Conditions for the original (now faulty) element, shall also apply to such new part or replacement elements. Any such new warranty period shall commence on the day that A1 confirms that the repair, replacement or adaptation has been successfully carried out.

Any given fault which occurs repeatedly shall be deemed to represent a system fault, for which the Co-contractor is obliged to remedy, even after the expiry of the warranty period.

IX./3. Co-contractor Guarantees

In addition to the guarantees in accordance with an Agreement, General Terms and Conditions and statutory provisions, the Co-contractor principally vouches to A1 that no person shall exercise any financial and/or any other claims vis-à-vis A1, and consequently there shall be no restriction on A1 in the scope of rights that A1 obtains pursuant to an Agreement.

X. Violations

X./1. Delays

In the event of a delay in the provision of a supply or service by the Co-contractor, A1 is entitled to charge on the basis of a daily calculation a contractual penalty in an amount equal to 3% per week of the total value of the Agreement, regardless as to whether or not A1 has suffered any damage as a result of that particular delay. In the event that as a consequence of a delay A1 incurs damages which are in excess of the contractual penalty, then the Co-contractor is obliged to compensate the difference between the contractual penalty and the actual damage incurred. A1 may summon the Co-contractor to pay any such contractual penalty within one year from the day when the conditions for the payment of that contractual penalty occurred. The one-year period shall commence when the conditions for the payment of the penalty occurred, and such shall also apply in instances where A1 did not explicitly reserve such a right when it accepted the particular fulfilment of a contractual obligation by the Co-contractor.

If the Co-contractor fails to fulfil its obligations, even in the additional period granted by A1, then A1 may withdraw from an Agreement, which consequently results in the fact that an Agreement ceases to be valid (is cancelled), and the Co-contractor is thence obliged to pay A1 all consequential damages.

In instances of a fixed (ongoing) business, A1 is not obliged to grant any additional period, and an Agreement ceases to be valid (is cancelled) with the termination of deadline for the fulfilment of obligations, except if A1 immediately notifies Co-contractor as to its request for the fulfilment of obligations. If the Co-contractor fails to fulfil its obligations in the additional period granted by A1, then the provisions from the preceding paragraph apply.

In the event of early delivery, A1 reserves itself the right to charge the Co-contractor additional incurred costs, such as storage costs and insurance. An early delivery does not modify the terms of payment.

X./2. Faults

The Co-contractor undertakes to eliminate any faults or errors, which occurred during the fulfilment of its obligations pertaining to an Agreement, and which were revealed by A1 upon take-over of that obligation. Any such elimination of faults or errors shall be carried out within the deadline prescribed by A1, while any possible consequential damages incurred by A1 shall be compensated for.

If the Co-contractor fails to eliminate faults, which pertain to the fulfilment of its obligations arising from an Agreement, within the deadline prescribed by A1, then A1 may, at its own discretion, undertake one of the following courses of action:

- make alternative arrangements for the elimination of the fault at the expense of the Co-contractor (e.g. from the reserved amount); or
- proportionally decrease the payment to the Co-contractor, as per the Agreement; or
- withdraw from the Agreement; or
- exercise other rights in line with these General Terms and Conditions.

In any event, the Co-contractor shall compensate A1 for any damages it may incur as a consequence of a fault.

In the event of a revealed fault, the Co-contractor shall be obliged to pay A1 a lump-sum in an amount equal to 5% of the value of the fulfilment of a particular contractual obligation in relation with which the fault has been revealed.

A1 enjoys the right to object to latent faults, which remain hidden even after the warranty period has expired; namely, A1 shall be obliged to make any such latent fault known to the Co-contractor within 6 months of said fault being revealed. If a particular fault was only revealed after the packaging has been removed, then such shall in any event be regarded as a latent fault.

If, in relation to a particular fulfilment of a contractual obligation by the Co-contractor in the context of an Agreement, statutory provisions grant the consumer (such as the end-users of A1's services) a greater degree of protection than it does to A1 in relation to the Co-contractor, then it shall be deemed that A1 shall enjoy similar rights and protection, mutatis mutandis, as the consumer does in relation to the Co-contractor.

In the fulfilment of obligations pertaining to an Agreement, the burden of proof in substantiating that a particular fault is insignificant and/or irrelevant, or non-existent, shall lie with the Co-contractor.

The Co-contractor expressly renounces any plea for a belated reprimand of faults in the context of Articles 461 and 462 of the Code of Obligations (Official Gazette of the Republic of Slovenia, No. 97/07 – OZ – UPB1), taking into consideration any subsequent amendments and additions.

XI. Liability for Damages

Notwithstanding the provisions of these General Terms and Conditions, and further to the fixed contractual penalty sum, the Co-contractor shall be additionally liable to A1 for any damages incurred by A1 as a consequence of any breach of the provisions of these General Terms and Conditions, or an Agreement, by the Co-contractor (and/or any third party for which the Co-contractor is directly or indirectly responsible), in accordance with the pertinent regulations.

XII. Termination of an Agreement

Further to events in accord with an Agreement and directly in accordance with statutory provisions in force, A1 may withdraw from an Agreement without notice and with immediate effect - namely with a written declaration of withdrawal posted by registered mail to the address of the Co-contractor's - in the following instances:

- o if bankruptcy proceedings, administration, liquidation or winding up have been instigated against the Co-contractor;
- o if the Co-contractor breaches its obligations regarding maintenance of business secrets;
- o if the Co-contractor, despite provision of a special warning by A1, further violates its obligations pertaining to an Agreement.

If the validity of an Agreement has no temporal limitation, then A1 may withdraw from an Agreement by way of a written declaration of withdrawal, whereby an Agreement ceases to be valid three months from the day when A1's declaration of withdrawal was posted by registered mail to the address of the Co-contractor. The Co-contractor may withdraw from an Agreement by way of a written declaration of withdrawal, which results in the termination of the validity of the Agreement twelve months after the day when a registered letter with the declaration of withdrawal was sent to A1's registered address.

Following any termination of an Agreement, and regardless as to the duration of the said Agreement or the reason for its termination, A1 shall not be obliged to reimburse (pay) the Co-contractor for any of its investments or costs which may have been incurred as a consequence of fulfilling the terms of an Agreement. Furthermore, following termination of an Agreement A1 shall have no other responsibilities towards the Co-contractor save for those which are expressly stipulated by that Agreement.

If an Agreement terminates due to reasons which lie on the side of the Co-contractor, then any consequential costs incurred by A1 pertaining to the establishment of new commercial relations with a third party that represents a partial or complete substitute of the erstwhile business relationship with the Co-contractor in accordance with a terminated Agreement, shall also represent a consequential cost to be borne by the Co-contractor.

XIII. Code of Conduct for Supplier

XIII./1. General

A1 is committed to conducting business honestly, fairly and transparently. As a matter of course, A1 complies with all applicable laws and principles of business ethics. Such compliance A1 also expects from its suppliers.

XIII./2. Labour Rights and Working Conditions

Contractor shall ensure that in connection with the performance of this contract all regulations of the International Labour Organisation (ILO) regarding the rights of workers and their working environment (minimum standards such as compliance with human rights, prohibition of child labour and forced labour, appropriate remuneration, etc.) are adhered to. Contractor shall ensure that these obligations are binding upon its suppliers.

XIII./3. Fair Dealing and Avoidance of Conflict of Interest

Contractor confirms that there are no intermediaries who gain a personal advantage and/or pecuniary benefit etc. in connection with the conclusion of the contract with A1. Contractor shall avoid any situations that suggest conflict of interest towards A1 and further commits to refrain from any actions which could cause any harm to A1, in particular any actions which could cause harm to its reputation.

XIII./4. Legal Compliance - Prohibition of Corruption and Bribery

Contractor warrants to comply with all applicable legislation.

A1 does not accept any corruption and bribery. In particular, Contractor must not demand, offer, or grant any undue advantages – if against moral standards - or other benefits.

The violation of the provisions of this Code of Conduct shall constitute a material default which entitles A1 to terminate the contract with immediate effect.

In such case the Contractor will lose his entitlement to the agreed remuneration unless services have been rendered/deliveries have been made which can be used by A1. This is without prejudice to A1's right to claim damages. The Contractor shall be liable vis-à-vis A1 for any disadvantages and shall bear all additional costs which may incur in connection with such termination due to the default of the Contractor.

XIV. General Provisions

XIV./1. Business Confidentiality

The content of an Agreement and all consequent data pertaining and relating to A1 and its business operations (including the execution of the Agreement) shall be regarded as confidential in perpetuity by the Co-contractor. The Co-contractor is obliged to safeguard such information of a confidential nature with the highest degree of care and diligence; it is also responsible for extending such obligations to, and on behalf of, its employees (full-time, contractual or other) as well as colleagues, assistants and subcontractors or any other persons through which it carries out obligations arising from the Agreement. Any data, which represents a business secret, may only be used by the Co-contractor for the purpose of the fulfilment of obligations pertaining to an Agreement and for no other purpose.

Within eight days of any termination of the Agreement, the Co-contractor shall be obliged to return to A1 any items or property that may belong to A1 (either pertaining to the Agreement or other) and were in its possession on the day when the Agreement was terminated.

The Co-contractor's obligation to maintain confidentiality and business secrecy shall be permanent and for an indefinite period of time (regardless as to the validity of the Agreement).

In the event of any violation of the provisions herein, with reference to the maintenance of A1's business secrets, the Co-contractor shall, within 15 days of receipt of A1's written request, pay a fixed contractual penalty for each particular breach in the amount which equals 20% of the entire value of the business according to the Agreement, this regardless of the fact whether or not A1

suffered any damage as a consequence of said breach. In the event that damage incurred by A1 as a consequence of a delay is higher than the contractual penalty, then the Co-contractor is obliged to compensate the difference between the contractual penalty and the actual amount of damage incurred.

XIV./2. Personal Data Protection

In the event the Co-contractor is provided access to or learns about personal data, which in any form or manner receives from A1 or to which it has access to on A1's premises whilst implementing and/or in relation with and/or on the basis of the fulfilment of its obligations under an Agreement or in any relation with an Agreement, the Co-contractor undertakes to safeguard such data unconditionally and treat such data pursuant to the Personal Data Protection Act (ZVOP-1-UPB1, Official Gazette of the Republic of Slovenia, no.: 94/2007), taking into consideration all its subsequent modifications and amendments. The Co-contractor shall process such data exclusively pursuant to A1's authorization. Under no conditions is Co-contractor allowed to use, transmit or allow access to third persons or institutions or process such data in any other way without A1's authorization; except if thus prescribed by law.

Whilst fulfilling the obligations under an Agreement in relation with the personal data processing the Co-contractor shall ensure organizational, technical and logistic procedures and measures for securing such personal data, thus preventing the accidental or intentional unauthorized destruction of data, or changes to or loss of data, as well as any unauthorized data-processing.

As regards the procedures and measures to be introduced by the Co-contractor in order to protect personal data, said procedures and measures shall be set forth in a separate contract on personal data processing or annex on personal data processing, which the Co-contractor is obliged to conclude immediately after A1 has called upon the Co-contractor to conclude such contract or annex. For each and every personal data processing the Co-contractor is obliged to ensure procedures and measures for securing such personal data as set forth in the preceding paragraph and which shall be defined in more details in the contract on personal data processing or annex on personal data processing.

A1 may supervise the implementation of these procedures and measures re personal data processing by the Co-contractor.

XIV./3. The Right to Equal Conditions

If the Co-contractor offers third parties conditions for the fulfilment of equal and/or similar obligations which better (e.g. lower prices, more favorable terms of payment, more extensive or better warranties and suchlike) than those which are provided under its Agreement with A1, then the Co-contractor is obliged to immediately offer A1 similar such conditions as regards content (*mutatis mutandis*) and also accordingly accept the consequential modifications and/or amendments to the existing Agreement.

XIV./4. Suspension of Agreement

In the event of a dispute regarding the content of an Agreement, the Co-contractor shall not, in any way, cease fulfilling its obligations pertaining to said Agreement.

XIV./5. Changes to Data and Contract Language

A1 and the Co-contractor undertake to inform each other without delay as to any change in data pertaining to an Agreement (such as address, registered office, contact person etc.); otherwise it shall be deemed that such data remains unchanged. Any deleterious consequences arising from failure to inform as to a change in data shall be the burden of the contracting party that failed to fulfil its obligation to inform the other contracting party.

Unless otherwise agreed the contract language is Slovene, which shall also be the language of operational communication between A1 and the Co-contractor within the scope of implementation of the Agreement.

XIV./6. Applicable Law and Competent Court

Relations between A1 and the Co-contractor under an Agreement, and disputes arising from or pertaining to the Agreement, shall be governed by the law of the Republic of Slovenia, in particular the provisions of the Code of Obligations (OZ – UPB1) (Official Gazette of the Republic of Slovenia, no.: 97/07) whereby, in the event of any insoluble dispute between A1 and Co-contractor, said dispute shall fall under the jurisdiction of the competent court in Ljubljana. The application of the UN Convention on the International Sale of Goods (Vienna Convention) is expressly excluded.

In the event of a dispute with the Co-contractor, and notwithstanding the previous provision, A1 may initiate legal and/or other proceedings before another competent court and/or other competent authority and/or institution which has subject matter and territorial competence for making decisions in accordance with the regulations in force in the country where the Co-contractor has its registered office.

XIV./7. Transfer of Rights and Obligations

The Co-contractor may not transfer any of its rights pertaining to the Agreement or in relation with the Agreement (including any claims towards A1) to any third party without the express written consent of A1.

The Co-contractor agrees that A1 may, without limitation, transfer all its obligations towards the Co-contractor which pertain to an Agreement to third parties, whereby any special consent by the Co-contractor is unnecessary; nevertheless, the Co-contractor is obliged to be informed as to any such transfer.

XIV./8. Cancellation and Invalidity of Particular Provisions

If a particular provision of the Agreement and/or the General Terms and Conditions are nullified or voided, the remaining provisions shall remain in force. Within the scope of exercising their rights and obligations pertaining to an Agreement, A1 and the Co-contractor shall replace the void and/or invalid provisions in the manner that is in accordance with the contractual purpose according to the particular Agreement.

XIV./9. Language

The General Terms and Conditions are drafted in Slovene and English language. The only authentic text of these Terms and Conditions is the version written in the Slovene language, and is hence the only relevant version as regards any interpretations and shall be used in the event of any dispute. The English version is thus of a purely informative nature.

XIV./10. Amendments to the General Terms and Conditions

A1 may modify these Terms and Conditions at any time; the amended General Terms and Conditions shall come into force on the day when they are published on the website A1.si. The amended General Terms and Conditions shall be used for Agreements concluded after such amendments have become valid.