Chapter A: General provisions

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

Article 1 Scope

These Terms and Conditions of Purchase shall apply to all products and/or services delivered to Royal KPN N.V. or to any of its subsidiaries (collectively ‘KPN’), insofar as other Agreements have not been explicitly 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.

Article 2 Establishment of agreements

21. 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 explicitly 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 explicitly rejected the Purchase Order within three working days of receiving it.

2. KPN shall reimburse only costs demonstrably incurred 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 fulfill 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 annualized 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 KPN’s initial claims for defective products, that he shall produce evidence that the Supplier has delivered the products in accordance with the specifications of the Agreement and that he has delivered products that meet the requirements of the Agreement for KPN. In the case of services, the warranty further means that at the request of KPN the Supplier shall provide further services to correct any defects occurring during the warranty term or provide replacement services by an identical product and/or result within three weeks of the date of KPN’s written notification.

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 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.

The Supplier and its suppliers shall comply with the requirements stated in the Supplier Code of Conduct viewable at www.kpn.com. The Supplier shall use the devices to store them separately and to insure them at the expense of the Supplier. The Supplier shall mark devices clearly as the property or intellectual property of KPN. The Supplier shall ensure that the business activities of KPN are not interrupted or disturbed. The Supplier shall reimburse all costs incurred by KPN in connection with the Infringement. All intellectual property rights attached to devices made available by KPN to the Supplier shall remain vested in KPN and/or its licensors. The Supplier shall be under obligation to mark devices clearly as the property or intellectual property of KPN, to keep them in good condition, to store them separately and to insure them at the expense of the Supplier against all risks for such time as Supplier acts as the holder of such devices for KPN. The Supplier shall use the devices solely for the duration and for the purpose of performing the Agreement and shall return them at the first request of KPN.

**Article 5 Intellectual property rights**

5.1 If and to the extent that existing intellectual property rights of the Supplier are attached to delivered products, performed services and/or achieved results, the Supplier shall grant KPN a perpetual license for such rights, including the right to issue sublicenses to its customers. The Supplier shall deposit with a third party in escrow the source code of all software in existing intellectual property rights and KPN shall have the right to be the beneficiary of the escrow agreement.

5.2 The Supplier assigns to KPN all intellectual and property rights attached to and interests in all results of work performed by the Supplier for KPN in developing and delivering products and services, and KPN hereby accepts nunc pro tunc assignment immediately after the rights arise. Insofar as necessary, the Supplier shall grant KPN an irrevocable power of attorney to have executed in the name of the Supplier any acts necessary for the transfer of the aforementioned intellectual property rights. To the extent permissible by law, the Supplier waives the rights mentioned in Section 25 of the Copyright Act 1912. At the request of KPN, theSupplier shall provide the source code of the software developed for KPN within ten working days after kPN has accepted the specific result as being in accordance with the required specifications.

5.3 The Supplier shall indemnify, protect and hold KPN harmless against all costs resulting from any litigation arising from or related to any assertion that delivered products and/or performed services or any part thereof and/or their commercial use by KPN for its business activities directly or indirectly infringe or partly infringe the intellectual property rights of a third party, or constitute unlawful disclosure, unlawful use or unlawful appropriation of the business secrets of a third party (hereafter ‘the Infringement’), provided always that KPN informs the Supplier of the Infringement within a reasonable period of time and involves the Supplier in the defense and negotiations in connection with an arrangement or settlement. In the event of such an Infringement, the Supplier shall ensure that the business activities of KPN are not interrupted or disturbed. The Supplier shall reimburse all costs incurred by KPN in connection with the Infringement. All intellectual property rights attached to devices made available by KPN to the Supplier shall remain vested in KPN and/or its licensors. The Supplier shall be under obligation to mark devices clearly as the property or intellectual property of KPN, to keep them in good condition, to store them separately and to insure them at the expense of the Supplier against all risks for such time as Supplier acts as the holder of such devices for KPN. The Supplier shall use the devices solely for the duration and for the purpose of performing the Agreement and shall return them at the first request of KPN.

**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:

1) is in the public domain, without this having been caused by violation of this duty of non-disclosure;
2) was developed independently by the other Party without making use of such information;
3) was obtained by the other Party lawfully from a third party that is not bound by a similar non-disclosure obligation, or
4) 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 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 the fulfillment of its obligations under a Purchase Order.

7.2 General obligations under the General Data Protection Regulation (‘GDPR’). Every Supplier that performs any operation or set of operations on personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction, is considered a processor within the meaning of GDPR. The Supplier shall keep a record of the processing activities 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 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 General obligations under the General Data Protection Regulation (‘GDPR’). Every Supplier that performs any operation or set of operations on personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction, is considered a processor within the meaning of GDPR. The Supplier shall keep a record of the processing activities 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 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.

Article 8 Security requirements and data breach

8.1 Technical and organisational security measures. To ensure the confidentiality, integrity and availability of the data that the Supplier processes or to which it has access, the Supplier shall demonstrate the appropriate and effective technical and organisational security measures which, taking into account the state-of-the-art 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 Processing Agreement;

i) if agreed: measures Parties have agreed based on the KSP, as laid down in a separate Security Annex;

j) 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 breach. Supplier shall actively monitor for data breach such as breaches of the security measures. At such time as a data breach 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 030 658 84 48. At that time Supplier shall provide all relevant information about:

a) the nature of the data breach;

b) the affected and potentially affected personal data and data subjects;

c) the established and likely consequences of the data breach;

d) the measures that have been or will be taken to resolve the data breach 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 indemnify and hold KPN harmless from all costs and expenses ('costs') which are incurred by the Supplier itself or for third parties.
harmless for all costs that KPN must incur as a result of a data breach or other violation of personal data.

**Article 9 Termination of the agreement**

9.1. If the Supplier fails to comply, to comply in time or to comply sufficiently to its obligations under the agreement(s), KPN shall serve the Supplier with notice of breach unless Parties have agreed a deadline and/or fulfillment has become permanently impossible. The Supplier shall then be in breach without further notice and KPN shall have the right to terminate 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 terminate 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:

a) the Supplier discontinues its business activities;

b) the Supplier has petitioned for or has been granted suspension of payments;

c) a petition for bankruptcy has been filed by or against the Supplier, or the Supplier has been declared bankrupt;

d) all or some of the assets of the Supplier have been seized; or

e) control over the business of the Supplier has transferred to a third party.

Termination 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 obliged to indemnify or 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 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: Provisions 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**

Products shall always:

a) function in accordance with and in every respect satisfy the matters agreed;

b) satisfy the contents of the agreed documentation (in English);

c) satisfy requirements laid down by or pursuant to law;

d) satisfy the properties made known by the Supplier;

e) be free of material, manufacturing, construction and design errors.

**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 SVO01 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 13 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.

a) as yet deliver anything found to be missing; or

b) 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 fulfill 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: Provisions 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 care, skill and experience common 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 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 the 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 Supplier have agreed differently.
In all such cases, Parties shall define as accurately as possible the field of work and the competitors to which this clause shall apply.