

SUPPLY AGREEMENT FOR MATERIALS
RUNE Project (Slovenia & Croatia)

This RUNE Project (Slovenia & Croatia) Optical fiber Cables Supply Contract (hereinafter shall be referred to as the “**Contract**”) is dully signed on date _____ by and between:

1. **RUNE Enia d.o.o.**, Partizanska cesta 109, Sežana, 6210 Sežana, VAT SI_____, (hereinafter shall be referred to as “**RUNE Slovenia**”);
2. And **RUNE Crow d.o.o.**, Veprinac, Tumpiči 16, 51414 Ičići, Opatija, VAT HR06535522670, for Croatia (hereinafter shall be referred to as “**RUNE Croatia**”); (RUNE Slovenia and RUNE Croatia referred as **RUNE**) and
3. _____, a supplier of _____ incorporated in _____ having its principal place of business at _____, VAT no. _____, (hereinafter referred to as “_____” and Supplier).

For the purpose of recording their agreement on the business arrangements set out herein. **RUNE**, and _____ hereinafter shall collectively referred to as the “**Parties**”.

Article 1 - GENERAL CONTENT

- a. The Parties agree that RUNE negotiates the general technical and commercial conditions for the materials, needed for the deployment of RUNE’s FTTH network. The materials will be formally ordered by the Building Contractors, chosen by RUNE in a separate procedure, and sold to RUNE built-in.
- b. With the scope to extend the agreed conditions of this Agreement also to the additional third parties, after the selection of the Building Contractors, an annex to this Agreement will be signed between the parties and each Building Contractor. Effective orders will be issued to the Supplier by the Building Contractors.
- c. Price: Item price for each cable type within RUNE requirement is fixed for the duration of the project and for the stated quantities. (Prospected time schedule in Appendix 3). Agreed price and estimated quantity list for RUNE (Appendix 1) is an integral part of this Supply Agreement.

- d. Quantity: estimated purchasing quantity may change, prices are binding for up to -10% of the stated quantities (unless compensated by equal length of other types of micro ducts). Minimum single order and delivery quantity 1 truck or 1 transport container.
- e. Period: 36 months starting from the signature of the Supply contract.
- f. CURRENCY: EURO is used as the currency hereunder specified in this Contract.
- g. Payment term: 60 days upon delivery.
- h. Delivery term: *DDP (INCOTERM 2010) on the regional warehouse of the Building Contractor (5 regional warehouses in Slovenia and 2 regional warehouses in Croatia). Up to 3 partial unloads in three different regional warehouses are included in the price.*
- i. Commercial terms are valid for Contractors with financial ratings from SB1 (highest rating) to including SB6 according to www.ajpes.si for Slovenian Contractors, and/or from BONPLUS1 (highest rating) to including BONPLUS6 according to www.fina.hr for Croatian Contractors. For Contractors with worse rating, the Supplier is free to ask for additional payment guarantees.

Article 2 - GENERAL WARRANTY

The Supplier confirms that the supplied materials for RUNE shall be of best quality and workmanship and shall be strictly in accordance with specifications and particulars contained in the offer (Appendix 4) and come with a 100% warranty against defects and quality aforesaid for a period of 24 months from the date of supply (DDP Incoterms 2010).

The Supplier confirms that all delivered materials are newly manufactured (after the supply order) and tested and sold to be free from all material defects and workmanship defects and shall perform in full conformity with the stated specifications and drawings to Appendix 2. The Supplier ensures that all goods are free of hazardous substances according to RoHS 2011/65/EU. All supplied packaging materials will be accompanied with their corresponding factory test reports. The Supplier's liability includes the cost of replacing or repairing the non-conforming goods at its own cost and risk, at DDP conditions, if any warranty period is prescribed under the applicable law then such period shall prevail. In any case, Supplier's liability for any damages to RUNE and/or the Contractors is not excluded.

Article 3 - GENERAL TERMS OF SALES

- a. **The Building Contractors** shall order from THE SUPPLIER by issuing Purchase Orders (a copy of each must be sent also to RUNE).

- b. Each **Purchase Order** will be placed with a three-month rolling frame quantity and confirmed with a one-month rolling firm quantity (within the three-month rolling frame quantity).
- c. Unless otherwise stipulated in the Order, all goods shall be delivered to the point(s) of delivery indicated in the purchase order.
- d. **RUNE** shall hold the Supplier harmless against any and all damages and costs incurred to the supplier as a result of any claim of infringement that arises from RUNE's and/or its customers' resale or distribution of the products without the Supplier's prior written consent.

Article 4 - WARRANTY - TECHNICAL PERFORMANCE

The Warranty given herein shall be void if the Product has been improperly installed, stored, managed or transported, or has been misplaced, misused, abused, neglected, vandalized, or damaged.

The Supplier must declare exactly the conditions, instructions and limitations, under which the supplied materials should be transported, stored, managed and installed in the Supplier's guidelines and/or instructions for handling and installation (Appendix 6), which must be provided in Slovenian and Croatian languages.

Any storage, management, installation, transport or other type of handling of Material is to be considered correct, if instructions (Appendix 6) are not given or unclear.

In case of uncertainty after any supply (during the deployment of the Materials), the Building Contractor has the right to ask the Supplier for more precise instructions, and the Supplier is obliged to give additional instructions in Slovenian and/or Croatian languages, but the Supplier is liable for any additional cost that might result from the lack of or missing of clear instructions.

Article 5 - WARRANTY VOIDANCE

This Warranty shall be void on account of any damage that is attributed or attributable to any accident, involving the Material. The Warranty given hereby also does not cover any damage arising out of insignificant deviations, normal wear and tear of the Material, and its quality and/or performance parameters affected by exposure to extreme atmospheric conditions outside of the specification contained in the Technical Specifications (Appendix 2).

Article 6 - WARRANTY PROCEDURE

If the Materials develop a defect, the Building Contractor will notify the Supplier in writing as soon as possible, but in any event within 14 days of the date the defect is discovered. The Supplier shall,

within 14 days from such notice, identify the defect and submit in writing the remedy plan to RUNE. The Supplier commits to rectify the defect in maximum _____ days from the date of remedy plan final confirmation by the Parties. In the case of replacement of defected Product for a new one, the Warranty period for the replaced parts runs from the beginning of the date of signing the documents confirming the completion of the complaint process.

The Parties agree that in any case where a defect is notified in writing, the Supplier shall be given a reasonable period of _____ days to examine the issue thoroughly and to further determine the reasons which are attributable to the defect. In any case of disagreement between the Parties with regards to claims arising out of the Products, the parties specifically agree to mutually appoint an independent 3rd party expert to determine reasons and Party at default will pay the cost of such independent examination

Article 7 - TERMS AND VALIDITY

This Contract shall come into force as the Date set forth above and shall remain in effect for the duration of three years.

In the event this Agreement expires or terminates for any reason in whole or in part, one party will provide the other party reasonable termination assistance, including but not limited to assistance in completing the delivery of the Goods in transit, make payments in time.

Article 8 - EXCLUSIVITY OF SUPPLY

During the Term of this Supply Agreement, Supplier shall be RUNE's exclusive provider for the agreed type of Material, as specified in Appendix 1, unless the supply conditions, defined in this Agreement and its' Annexes are breached.

In case of a breach, all open orders and open liabilities will be respected from RUNE and Contractors side, all the Materials on which the breach was made, will be automatically deleted from Appendix 1 and the Supplier will be moved on the tail of the Supplier ranking queue (as defined in Article 9) for that specific Material. The breach on a single Material does not affect Supplier's ranking on other materials.

In case, stated in Article 1, Point d), RUNE has the right to add one of the Back-up Suppliers to cover the additional gap.

Article 9 - BACK-UP SUPPLIER AND EXCLUSIVE SUPPLIER SWAP

Based on the price and other supply conditions, expressed in the offers, RUNE will prepare and maintain the Supplier ranking queue of back-up suppliers for any material.

The Supplier agrees to be considered as a back-up supplier for any Materials from his Offer (Appendix 4) that are not included in Article 8 and are not listed in the Appendix 1.

In case of an Agreement breach on the side of the Exclusive Supplier, as defined in Article 8, the Back-up Suppliers will be asked (following the ranking queue from the best to the last) to step in and become the exclusive supplier for this additional material. The Supplier will be given 7 days for the acceptance, and maximum 90 days for the start of delivery of the additional Material. In this case, an Annex to the Appendix 1 will be made to include the additional Material.

Article 10 - TECHNICAL PERFORMANCE

The Supplier is aware that RUNE prepares the project execution plans based on the technical performances, declared by the supplier (Appendixes 4, 5 and 6). If Materials fail to perform as declared, it is considered a Breach according to Article 8 and therefore entitles RUNE and Contractors to enforce Warranties and Liabilities for damages.

Article 11 - CONFIDENTIALITY

The Parties agree and shall undertake, that any and all information received by either Party pursuant to this Contract which is derived from the other Party shall be treated as strictly confidential, and shall not under any circumstances (including press conference and other media exposure) be divulged in whole or in part to any third party, except to (a) a subsidiary of such Party, (b) the parent corporation of such Party or (c) a wholly-owned subsidiary of such Party's parent corporation, without the prior written consent of the originating Party or any entity appointed as consultants or advisors to the Parties; or except as otherwise required by any applicable law, regulation, rule of any self-regulatory body or judicial proceeding, provided that this Article shall not apply to information which at any time comes into the public domain through no fault of either Party.

Article 12 - AMENDMENT

This Contract may not be modified or amended except in writing and with the unanimous agreement of the Parties hereto. It is understood that all agreements entered into and executed by

the Parties hereto subsequent to this Contract constitute a modification or amendment of this Contract unless explicitly stating the contrary.

Article 13 - ASSIGNMENT OF CLAIMS

Assignment of claims shall be valid only if it is a separate written agreement in form of Agreement of Cession by which the Supplier transfers part or all of its claims towards the Building Contractor to RUNE (in each respective country).

Agreement of Cession can be applied only if RUNE has unpaid due obligations towards the Building Contractor and only if claims of the Supplier towards the Building Contractor are due and unpaid.

Article 14 - FORCE MAJEURE

If either party cannot perform its obligations stipulated in the sales agreement due to reasons which are directly and exclusively attributable to an event of force majeure, it shall notify the other party facsimile transmission or e-mail without undue delay of the occurrence of such an event and within 60 days thereafter, it shall provide the other party certificate confirming the occurrence of the event issued by a notary authority in the place where the event of force majeure occurred by registered mail. Force majeure shall mean any of the following events: earthquake, storm, flood, fire or other acts of nature, epidemic, war, riot, terrorist actions, government and legislative actions, foreign-exchange restrictions or any other events beyond the control of the parties, where its occurrence is not preventable and unavoidable. If an event of force majeure occurs, neither party shall be responsible for any damage, increased costs or losses which the other party may sustain by reason of such failure or delay of performance. The party claiming force majeure shall adopt measures to minimize or remove the effects of force majeure and within the shortest time possible attempt to resume the performance of obligations affected by the event of force majeure. Otherwise, the parties shall through consultations decide whether to modify or terminate the sales agreement according to the effect of the event of force majeure on the performance of the sales agreement.

Article 15 - INTELLECTUAL PROPERTY

"Intellectual Property" means all trade names, trademarks, service marks, copyrights and other intellectual property rights of RUNE and its affiliates, including, but not limited to intellectual property related to or created by virtue of the supply and delivery of the Equipment and Products, and in relation to the performance and execution of the services under, this Agreement. Any and

all Intellectual Property of RUNE, as well as the Intellectual Property of RUNE's affiliates or subsidiaries, will remain its exclusive property as well as the exclusive property of the individual affiliates or subsidiaries. The Supplier shall not assert any claim thereto and shall use such Intellectual Property strictly as set forth in this Agreement and only during the term of this Agreement. The Supplier shall not do any act or thing inconsistent or contrary with the ownership of such Intellectual Property by RUNE or its affiliates or subsidiaries. The Supplier shall take reasonable care to protect this Intellectual Property from improper usage, such as but not limited to infringement, damage, colorable imitation and other similar acts (hereinafter collectively referred to as "improper usage") and shall notify RUNE of such improper usage not later than five (5) days from the time the Supplier becomes aware of or discovers such improper usage. RUNE shall have the right to seek and obtain an injunction to prohibit or restrain the Supplier from using the Intellectual Property of RUNE or its affiliates or subsidiaries, and the Supplier hereby waives its right to object to the granting of any equitable relief that RUNE may seek in relation to the injunction.

The Parties expressly recognize that additional Intellectual Property rights may be created in the performance of this Agreement. The Parties expressly agree that all rights, title to and interest in (including patent rights, copyrights, trade secret rights and any other rights) in any work, idea or information created, conceived or reduced to practice in the course of the performance of this Agreement shall belong to RUNE.

The Technical Documentation and all other technical data, evaluations, reports and work product of the Supplier hereunder shall become the property of RUNE and shall be delivered to RUNE upon termination of this Agreement or upon completion of the services performed hereunder.

The Supplier shall fully indemnify, protect and save harmless RUNE from and against any and all claims, damages, expenses, actions, or other proceedings arising out of or resulting from the infringement of any patent right, design, process, trade mark or any other protected right in connection with the Equipment and Products and the performance of the services. RUNE shall immediately notify the Supplier upon any claim being made or any action brought against RUNE.

Article 16 - Intellectual Property Infringement and Indemnification

The Supplier will defend customer solely against any claim that any Good, in the exact form in which the Supplier sold or otherwise provided it to customer, infringes a third party's Intellectual Property Rights in the jurisdiction in which such sales took place, and indemnify customer against any damages and costs reasonably incurred by customer as a direct result. In the event of any such claim, customer shall notify the Supplier in writing within 10 days and promptly

provide the Supplier all necessary information, assistance and exclusive authority for the defense of any such claim and its settlement. If any Good subject to such a claim is determined by a court of competent jurisdiction to infringe a third party's patent issued as of the effective date hereof, the Supplier shall, at its sole option and expense, either procure for customer the right to continue using the Good, replace or modify the Good so that it becomes non-infringing, or accept return of the Good from customer and refund the purchase price paid thereof. The foregoing states the entire obligation of THE SUPPLIER for intellectual property infringement. THE SUPPLIER shall not be responsible for, and customer shall hold THE SUPPLIER harmless against, any damages and costs incurred by THE SUPPLIER as a result of any claim of infringement of a third party's patent rights or other intellectual property right that arises from i) customer's or its agents' modification of the Good, ii) customer or its agents' combination of the Good with any other item not provided by THE SUPPLIER, or iii) THE SUPPLIER's compliance with any specification or instruction provided by customer or its agents.

Article 17 - TERMINATION

- a. If RUNE fails to cure his breach of his obligations under this **Contract** in 15 days after receiving the notice of the breach from the Supplier, the Supplier shall have a unilateral right to terminate this **Contract**.
- b. Upon receipt of notice of termination, the Contractor shall pay for all the ordered and delivered **Material**. For the Material that has already been ordered by the Contractor, the Supplier has the right to deliver it according to the terms and conditions of this Agreement and be paid accordingly. All rights and duties of the Parties shall continue during such notice period.

Article 18 - REMEDIES FOR BREACH OF CONTRACT

Except as otherwise provided herein, if a party ("Breaching Party") fails to perform any of its obligations under this Contract, then the other party ("Aggrieved Party") may at its option:

- a. give written notice to the Breaching Party describing the nature and scope of the breach and demand that the Breaching Party cure the breach at its cost within a reasonable time specified in the notice ("Cure Period"); and

- b. if the Breaching Party fails to cure the breach within the Cure Period, the Aggrieved Party may claim direct and indirect damages arising from the breach.

Article 19 - GOVERNING LAW AND DISPUTES RESOLUTION

This Contract shall be governed by and construed in accordance with the justice laws of Republic of Slovenia, without regard to its conflict of law provisions.

All disputes in connection with this Contract or the execution thereof shall be settled friendly through negotiations. In case no settlement can be reached within 60 days after the dispute has arisen, the case may then be submitted for arbitration. All disputes arising out of this contract or related to its violation, termination or nullity shall be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules)) by three arbitrators appointed in accordance with these Rules.

Appropriate supplementary provisions:

- a) The number of arbitrators shall be three;
- b) The substantive law of Austria shall be applicable;
- c) The language to be used in the arbitral proceedings shall be English.

The decision of the Arbitration Commission shall be final and binding upon both parties. Arbitration fees shall be borne by the losing party, as well as lawyer expenses, transportation and telecommunication expenses, etc. In specific condition, the arbitration may be settled in the third country mutually agreed upon by both parties provided that the written consents from the sales manager or sales director are obtained first.

IN WITNESS WHEREOF, the undersigned have caused this Contract to be executed by their duly authorized representative(s) which contain the same terms and conditions with sufficient stamp duty and shall have equal legal effect upon the execution by the Parties on the day and year first above mentioned.

(No text below)

THE SUPPLIER (THE SUPPLIER)

Name:

Title :

(_____)

Name:

Title :

Appendix 1 PRICE LIST AND QUANTITIES

Please fill in and attach the excel document
RUNE_RFFO_DUCTS_Appendix_1_Price_list_and_quantities after this page.

The document must be signed.

Appendix 2 AGREED MINIMUM TECHNICAL SPECIFICATIONS

Please attach the document
RUNE_RFFO_DUCTS_Appendix_2_Agreed_min_technical_specifications after this page.

The document must be signed on each page.

Appendix 3 PROSPECTED DELIVERY PLAN

All quantities are to be delivered within 3 years. A frame and a detailed timetable will be sent once the contractors are chosen.

Appendix 4 SUPPLIER'S OFFER

Please attach the complete Supplier's offer after this page.

The offer must be signed on each page.

Appendix 5 TECHNICAL DOCUMENTATION OF THE OFFERED MATERIALS

Please attach the complete Supplier's Technical Documentation related to the offered materials after this page.

All documents must be signed on each page.

**Appendix 6 SUPPLIER'S GUIDELINES AND/OR INSTRUCTIONS FOR HANDLING AND
INSTALLATION, under which the Technical Performances (Art. 10 of the Supply
Agreement) are granted.**

Please attach the complete documentation related to Supplier's Guidelines and/or Instructions for handling and installation, under which the Technical Performances (Art. 10 of the Supply Agreement) are granted.

All documents must be signed on each page.