

**Strategic Partnership Agreement**  
**on cooperation between the Hungarian Government**  
**and Coca –Cola HBC Hungary Ltd.**

Concluded on the one hand between

*The Government of Hungary*  
(hereinafter referred to as “*Hungarian Government*”)  
represented by *Viktor Orbán*, Prime Minister

and between

*Coca Cola HBC Hungary Ltd.*,  
(2330 Dunaharaszti, Némedi út 104., Cg.13-09-067506, hereinafter “*Coca Cola*”),  
represented by *József Tarsony*, Managing Director

hereinafter the Hungarian Government and Coca Cola are collectively referred to as “*Parties*”)

with the following conditions:

The Hungarian Government and Coca Cola express their pleasure and satisfaction that the economic relations and cooperation between the two parties are developing according to a favourable trend.

Taking into consideration the Strategic Growth Plan of the Hungarian Government and the important role played by Coca Cola in the Hungarian economy, the Hungarian Government and Coca Cola have resolved to conclude the present strategic partnership agreement.

The goals of this Strategic Partnership Agreement are

- To establish a dialogue to promote the long-term and lasting presence of Coca Cola, in the spirit of mutual trust and predictability,

- To support the expansion of Coca Cola's production activities with a view to better embed it in the Hungarian economy,
- To reinforce the role of Coca Cola in the realization of the government's economic policy aimed at strengthening the performance and international competitiveness of the Hungarian economy.

The aim of the Strategic Partnership Agreement is to contribute intensively to maintaining and further nurturing the existing good relations between Parties. The Hungarian Government expresses its pleasure and satisfaction that it can count on Coca Cola on the long-term as a reliable partner.

The Parties agree on the following points:

1. Production development

Coca Cola expresses its willingness to expand its manufacturing activities in Hungary in the next coming years taking into account its business results and the market conditions. The Hungarian Government will strive to provide support based on individual government resolutions for future investment projects of the company and to take into account when deciding on the extent of this support, the long term commitment of the company, provided that the project is in compliance with the conditions defined for individual government resolutions for providing support.

2. Cooperation in supplier activities

Parties express their willingness to incentivize and develop the cooperation in the field of supplier activities. The Coca Cola endeavours to involve Hungarian companies in the supply chain, in the process of which it can rely on the active support and coordinating role of the Hungarian Investment and Trade Agency (HITA). Parties are ready to evaluate the developments made within the framework of the supply and development cooperation regularly (preferably at least every six months) and to define current projects.

3. Cooperation with a view to strengthening the competitiveness of Hungary

Coca Cola expresses its readiness – along with other investors - to actively participate in the process of introducing new legislation (especially on VAT, environmental product fee, deposits, public health product fee, food chain supervisory fee) by giving an opinion on draft legislation effecting the competitiveness of Hungary as well as taking active part in working groups established to foster the competitiveness of Hungary.

4. Evaluation of the cooperation between the Hungarian Government and Coca Cola

Parties intend to analyse the results of their cooperation regularly, preferably at least once every six months and to define their next projects. The cooperation is coordinated by the Ministry of National Economy (hereinafter “NGM”) on behalf of the Hungarian Government. A working group shall be established with a view to this, which shall consist of members

from the Ministry, Coca Cola and members to be assigned by HITA. The date and venue of the meetings shall be set by the chair of the working group elected at the first meeting.

## 5. Innovation, research and development

Coca Cola expresses its willingness to conduct research, development and innovation activities in collaboration with Hungarian educational and research institutions. The Hungarian Government declares its intention to support and encourage this activity through all available instruments and mechanisms.

The Parties state that according to Act XC of 2003 on the Research and Technology Innovation Fund, the costs of research and development activities cannot be deducted from innovation contribution paid by economic actors, effective as of 1st January 2012.

With respect to this the Hungarian Government points out that grants from the Research and Technology Innovation Fund and the GOP (Operational Program for Economic Development), will be available for projects related to research & development and innovation, which - after their publication in 2012 - will be open for application to support Coca Cola's research & development and innovation activities.

## 6. Cooperation in education, subsidies for education and training

### 6.1. Renewal of the legislative basis of cooperation in education, specific subsidies for education

The Hungarian Government expresses its intention to make the subsidy system more transparent, effective and to reduce red tape. As the part of the renewal process legislation will be introduced regarding education subsidies granted by an individual Government resolution.

### 6.2. Subsidies for the training of newly recruited workforce

The Hungarian Government welcomes Coca Cola's intention to train newly recruited employees, thus enabling them to operate high-tech machinery, also to increase employment opportunities in the labour market. After entry into force, the regulation referred to in 6.1. will entitle Coca Cola to individual subsidies for the education and training of new employees.

provided that the requirements specified by the regulation are met and the Hungarian Government makes a positive decision.

### 6.3. Cooperation for the development of the vocational training system

As a result of the process aiming to renew the vocational system - referred to in 6.1 -, the Act on vocational training contribution and support of training development, which entered into force on 1<sup>st</sup> January 2012, enables Coca Cola to deduct the amount of the vocational training contribution Coca Cola is obliged to pay with the costs of the training of apprentices it receives.

The Hungarian Government expresses its hope that Coca Cola is to employ apprentices on a contractual basis in a number that enables Coca Cola to decrease the vocational training contribution, which may represent an exemplary way of expressing mutual interest.

To compensate for the vocational training contribution for training own employees revoked as of 1<sup>st</sup> January 2012, the Hungarian Government enables Coca Cola to cover the costs of employee training through applying for the tender of the 2012 Social Renewal Operational Program (2.1.3.) available from 28<sup>th</sup> March 2012. Provided that the requirements specified by the tender are met, Coca Cola can be granted a support of the same volume as the costs covered in previous practice.

## 7. Cooperation in public relations

As one of the most important investors in Hungary, Coca Cola expresses its willingness to present and make Hungary known beyond borders as an economic partner and a potential site for investments.

Furthermore, Coca Cola is ready to organize conferences and training sessions in Hungary, thus presenting the country to colleagues and business partners.

## 8. Miscellaneous provisions

This Strategic Partnership Agreement becomes effective as of the day when it is signed by both Parties.

The Agreement is made in the Hungarian and English languages. The guiding language is Hungarian.

The Parties have understood the contents of the Agreement, and accepted it in accordance with their intention and purpose. Should any disagreement or dispute arise regarding the Agreement, the parties shall settle their different position in an amicable, negotiated procedure.

Dated: Dunaharaszti, 20<sup>th</sup> July 2012.

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*József Tarsoly*

Managing Director

Coca-Cola HBC Hungary Ltd.

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*Viktor Orbán*

Prime Minister

on behalf of the Hungarian Government