



## ŠKODA AUTO Terms and Conditions for Special Tools

### 1. Application Area

Tools and components thereof, moulds, gages, models, matrices and other means of production required for manufacturing specific car components by ŠKODA AUTO a.s. with registered office at Tr. V. Klementa 896, 293 60 Mladá Boleslav, Czechia, registered in the trade register administered by the Prague Municipal Court, section B, file 332, ("ŠKODA company" hereinafter), shall be referred to as "tools" hereinafter.

Production orders, manufacture, usage, maintenance and servicing of the tools, purchasing of new tools, rights related to the tools, including that of disposal, are exclusively subject to the following terms and conditions agreed between the Supplier and the ŠKODA company.

### 2. Ownership of the Tools

- 2.1 The ŠKODA company is the owner of the tools. Ownership of tools required for series production of respective car model is transferred to the ŠKODA company as of the moment the first batch is delivered after the start of production ("SOP" hereinafter) of series car components manufactured using the tools, or as of the SOP of the respective car model at the latest. Ownership of tools acquired additionally after the respective car's SOP is transferred to the ŠKODA company as of the moment the first batch of series car components manufactured using the tools is delivered. The Supplier is obliged to invoice 100% of the value of the tools delivered (see par. 11.1) as of the moment of ownership transfer.
- 2.2 The ŠKODA company lets the Supplier hire the tools and their respective technical documentation including CAD data, all owned by the ŠKODA company. In case the tools are located at the Supplier's, hereby the Supplier transfers the claim to be provided the tools and respective documentation to the ŠKODA company.
- 2.3 Unless agreed by the contractual parties otherwise, the Supplier is obliged to continue delivering components series-produced using the tools at any plant of the ŠKODA company or by a third party using the components with the ŠKODA company's consent for spare parts, for another 15 years after ending deliveries of components for the series production.
- 2.4 As of October 30th each calendar year the Supplier is obliged to send to the ŠKODA company's BN - Purchasing Project Management department the „Stocktaking Book Confirmation" (Besitzbestätigung) of the tools they hired from the ŠKODA company, undersigned by the person in charge. The „Stocktaking Book Confirmation" has to specify the present location of the tools. Upon ŠKODA's request the Supplier is obliged to submit for free the „Stocktaking Book Confirmation" and other documents for tax purposes, such as invoices, delivery notes, etc., required for tax reimbursement and as a proof of the origin and location of the tools. If failing to meet this obligation, providing untruthful data or causing any other damage to the ŠKODA company, the Supplier is liable to damages the ŠKODA company reserves the right to claim. The Supplier is obliged to post the „Stocktaking Book Confirmation" in the „Tool Stocktaking" (Werkzeuginventur) app at [www.vwgroupsupply.com](http://www.vwgroupsupply.com).
- 2.5 Pursuant to the provisions of the Par. 2198 of the Act 89/2012 Coll. the ŠKODA company is entitled to exercise their ownership right and ask the Supplier to provide the tools in case of ŠKODA's early necessity. In case of ŠKODA's ownership right exercise the Supplier is obliged to provide the tools immediately and faultless. The Supplier must not refuse to provide the tools even if objecting invalid termination of the contract on deliveries to the ŠKODA company.
- 2.6 In case the Supplier commits to independent after-market supplies of spare parts they are obliged to elaborate respective delivery concept immediately when invited by the ŠKODA company to do so.

### 3. Labelling Obligation

The Supplier commits to attach a permanently visible label saying „**Property of ŠKODA AUTO a.s.**" and containing further tool identification data stipulated by the VW 34022 standard as amended, available at KBP [www.vwgroupsupply.com](http://www.vwgroupsupply.com). The Supplier is obliged to take digital pictures of properly labelled tools when updating respective invoicing specifications at the latest. The digital pictures should show easily discernible tools labelling and all additional/replaceable tool components.

The price of the tools includes all costs incurred by tool labelling and documentation.

### 4. Tool Sheet, Specifications and Application

- 4.1 The Supplier is obliged to complete respective Tool Sheet (Betriebsmittelblatt) available in the B2B supplier platform [www.vwgroupsupply.com](http://www.vwgroupsupply.com) „Tools" (Werkzeuge) app for each item ordered by the ŠKODA company. In case the tools or their parts are located on different production sites there should be a separate Tool Sheet (Betriebsmittelblatt) completed for each of the sites. The Supplier is obliged to complete fully all the Tool Sheet items. The Tool Sheet is deemed the Supplier's confirmation of the tool location upon first delivery of parts to series production.
- 4.2 The Tool Specifications (Betriebsmittelspezifikation) is enclosed to the Tool Sheet and it comprises a detailed list of all the components of each tool order item. In particular, all components such as cores, gages or moulds employed jointly with the tools should be identified.



- 4.3 The Supplier is obliged to use the „Tools“ app at [www.vwgroupsupply.com](http://www.vwgroupsupply.com) to enter the data stipulated in pars. 4.1 and 4.2, upload up-to-date pictures according to the par. 3 and keep all the data and pictures updated for invoicing or in case of any change. Jointly with the invoice the Supplier shall send the Tool Specifications (Betriebsmittelspezifikation) to the ŠKODA company address, see Par. 11.1.

#### **5. Tool Maintenance, Servicing, Insurance**

- 5.1 The Supplier is obliged to handle the tools with care, doing regular maintenance and keeping the tool technical documentation updated and reflecting truly the tools condition during all the tool hire period.
- 5.2 Hiring the tools the Supplier is assuming responsibility for dimensional stability of the tools, especially of the gages. The Supplier is obliged to assess properly and eliminate any possible dimensional deviation resulting from wear and tear of the tools.
- 5.3 The Supplier is obliged to draw an insurance policy amounting to the tool nominal value, insuring the tools against fire, theft and other risks.
- 5.4 The Supplier bears all the tool storage cost during the hire period.
- 5.5 At any time during Supplier's usual working hours the ŠKODA company is entitled to inspect the condition of the tools or the progress of the tool manufacture, check the Supplier's observance of their contractual obligations and ask the Supplier to prove the tools are insured. The ŠKODA company is obliged to give notice before visiting the Supplier unless there is a risk of delay or giving notice would be counter-productive.

#### **6. Right of Disposal**

- 6.1 The tools may only be employed for manufacturing series or spare parts called for delivery by ŠKODA or other Volkswagen Group company.
- 6.2 In case the Supplier does not employ the tools to fulfil the orders of the ŠKODA/VW Group company, they are obliged to inform the ŠKODA company accordingly in writing. The Supplier has no right to alienate, scrap, abandon or handle with the tools in any way contradicting the present terms and conditions, unless agreed in advance with the ŠKODA company thereof in writing.
- 6.3 The ŠKODA company is entitled to require the Supplier to provide the tools. Tools in the ownership of the ŠKODA company may only be scrapped upon ŠKODA's prior consent in writing.
- 6.4 The Supplier must not burden the tools with pawn, hedging transfer of ownership rights, lien or any other unauthorized management.

#### **7. Transfer of Production/ Using the Tools at 2nd-tier Suppliers/ Handover to Third Parties**

- 7.1 Transferring the tools to locations other than the originally agreed production sites without the ŠKODA company's prior consent in writing is forbidden. The same applies to the tools located at the Supplier's suppliers.
- 7.2 ŠKODA company's prior consent in writing is not required in case of short-term transfers of the tools for maintenance. The Supplier, however, is obliged to record any transfer of the tools owned by the ŠKODA company and let ŠKODA inspect the records at any time when invited by ŠKODA to do so.
- 7.3 In case the Supplier transfers the tools or parts thereof to one or more of its suppliers, the 2nd-tier suppliers must commit in writing (e.g. concluding a hire contract) to let the ŠKODA company exercise all its rights stipulated by the present terms and conditions also in relations with the 2nd-tier suppliers.
- 7.4 The ŠKODA company is entitled to require the Supplier to present respective articles of agreement with a 2nd-tier supplier, especially in case of the latter's insolvency. In case the Supplier fails to present respective articles of agreement or if the articles fail to provide sufficient legal protection to the ŠKODA company's rights pursuant to the Par. 7.3 and ŠKODA suffers damage due to the transfer of the tools to a third party and due to the Supplier's failure to meet their above-mentioned obligations, the Supplier is obliged to compensate for ŠKODA's damage in its full scope and amount.

#### **8 Supplier's Responsibilities**

- 8.1 The Supplier bears responsibility for any willful or negligent damage suffered by the tools. The Supplier is also responsible for any damage suffered by the tools caused by the Supplier's employees or staff hired by the Supplier.
- 8.2 In case a third party's property suffers damage and the party claims damages from the ŠKODA company, the Supplier is obliged to relieve ŠKODA from the claim and satisfy the third party's claim themselves. The same applies to cost incurred from collection of the claims by legal means.

#### **9 Sampling**

The Supplier is obliged to send a grade 1 Sampling Report to the ŠKODA company to the attention of the tool ordering party at ŠKODA AUTO a.s., Purchasing Department, Tř. Václava Klementa 869, 293 60 Mladá Boleslav, Czechia.



## 10 Modifying the tools

The inventory number of a modified tool remains unchanged. When invoicing tool modifications the Supplier is obliged to specify respective service provided or goods delivered and apply the VAT rate accordingly. The Invoicing and Payment Terms and Conditions stipulated in the Art. 11 also apply to tool modifications.

## 11 Invoicing and Payment Terms and Conditions

- 11.1 Invoicing complies with the Invoicing Terms and Conditions pursuant to the contract/order. As of the series SOP using the tools the Supplier makes out the invoice for 100% of the value of the tools and sends it to the ŠKODA company at ŠKODA AUTO a.s., FRK - Account Current Department, Tř. Václava Klementa 869, 293 60 Mladá Boleslav, Czechia.
- 11.2 For the tool invoice to be paid the following documents have to be provided duly completed: (1) Tool order signed without reservations or deviations and returned to the ŠKODA company, or an appendix in writing to the tool order in case the order and its possible appendices were not signed using the Volkswagen Group's B2B Platform [www.vwgroupsupply.com](http://www.vwgroupsupply.com), (2) Tool Specifications (Betriebsmittelspezifikation) including the tool location upon first delivery of series parts as of the invoice date. The Supplier is obliged to compensate the ŠKODA company for any damage possibly suffered due to a wrong invoice or invoicing documents specified herein.
- 11.3 Invoices shall be paid in line with Payment Terms and Conditions agreed in the order. An invoice shall only be paid in line with Payment Terms and Conditions agreed in the order provided all invoicing documents are approved by the ŠKODA company's respective purchasing department and a duly completed grade 1 Sampling Report has been received.
- 11.4 The Supplier is obliged to locate the tools in a country where the ŠKODA company is not liable to tax. The agreed price of the tools excludes the VAT and can be increased by a non-refundable amount of a VAT abroad or by a similar tax. Unless the ŠKODA company is entitled to the tax refund or deduction, the potentially non-refundable VAT or a similar tax abroad is included in the price of the ordered tools. In case the ŠKODA company incurs any additional tax liability in connection with the tool delivery, the Supplier commits to pay a contractual penalty amounting to € 20,000 to ŠKODA. Payment of the contractual penalty leaves unaffected any claim of damages exceeding the amount of the penalty. The Supplier commits to reimburse the ŠKODA company's mandatory tax expenditures, cost of registration to tax and of keeping mandatory tax records, imposed tax sanctions, etc.

## 12 Miscellaneous

- 12.1 The ŠKODA AUTO Production Material Procurement Terms and Conditions as amended apply and are available at [www.vwgroupsupply.com](http://www.vwgroupsupply.com) (Cooperation/ Procurement Conditions/ ŠKODA AUTO a.s.).
- 12.2 In case the Supplier transfers their obligations stipulated in the tool manufacture contract fully or partially to third parties and becomes subject to insolvency proceedings, the ŠKODA company is entitled to assume the Supplier's rights and obligations stipulated in the contract with the third parties on tools employed in production of components for ŠKODA and pay directly to the third parties. The Supplier commits to provide for the ŠKODA company's possible assumption of their rights and obligations in the contracts with the third parties.
- 12.3 In case the Supplier entrusts a third party with manufacturing the tools they also have to ensure no reservation of proprietary rights is arranged with the third party. In case the reservation of proprietary rights is arranged nonetheless, by accepting the tools order the Supplier transfers their tool acquisition rights to the ŠKODA company. The Supplier's claims against the ŠKODA company are paid off by the amounts paid by ŠKODA directly to the third party. The present ŠKODA AUTO Terms and Conditions for Special Tools (especially the transfer of proprietary rights and invoicing) also apply to tools for which the above-mentioned reservation of proprietary rights has been arranged with no further declaration from contractual parties required. Claims from third parties and any damage suffered by the ŠKODA company in consequence of these illegitimate actions shall be paid by the Supplier.  
Signing the ŠKODA company's tool order the Supplier confirms they accept the present Terms and Conditions.