

Bugatti/Procurement Division General Terms and Conditions for Purchasing
(Version 19.12.2012)

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**Bugatti/Procurement Division General
Terms and Conditions for Purchasing,
(Version 16.04.2012)**

1. Applicable law

With the inclusion of the following conditions, the contracts entered into, their realisation, efficacy, interpretation and implementation as well as all additional legal relationships existing between the parties shall be governed by the laws of the Federal Republic of Germany as far as no other agreements have been made in individual cases.

2. Definition of terms

The following terms are used in the contractual conditions:

- Bugatti: Bugatti Engineering GmbH / Bugatti Automobiles S.A.S / Bugatti International S.A.

3. Validity of the contractual conditions

3.1

In addition to these general terms and conditions for purchasing and the specifications for production equipment, the following additional contractual conditions shall be included in a contract depending upon the contract type entered into and the agreement made between the parties.

3.1.1 Purchase contract

Bugatti/Procurement Division general terms and conditions for purchasing for the general purchasing of goods.

3.1.2 Labour and services contract/ plant engineering

Bugatti/Procurement Division general terms and conditions for purchasing for facilities and construction works as well as special terms and conditions for purchasing.

3.1.3 Labour, service and agency contracts and similar contracts

Special terms and conditions for purchasing

3.1.4 Blanket orders

Bugatti/Procurement Division general terms and conditions for purchasing for blanket orders, special terms and conditions for purchasing for blanket orders.

3.2

The inclusion of additional contractual elements and the determination of their order of precedence shall be subject to the contractual conditions of the contract type in question.

3.3

Provided that nothing to the contrary is agreed, contractual elements shall be subject to the valid, most current versions of the contractual conditions at the time of contract signing including specifications for production equipment. In the event that the contractual conditions, including specification for production equipment, are not enclosed with the tender or the contract award, these can be obtained via:

www.bugatti.com/supplyportal

3.4

The aforementioned contractual conditions shall only be valid for contracts entered into between a contractor according to Article 310, paragraph 1 of the BGB (German Civil Code) and Bugatti, and as regards other legal relations between Bugatti and the former.

Furthermore, these shall also apply to contracts and legal relations with a contractor in which Bugatti acts on behalf of a third party by proxy.

3.5

In the event that the general terms and conditions for purchasing, the specifications for production equipment as well as other contractual conditions dependent upon the contract type in question are included in a contract entered into with one of the aforementioned companies, they shall also apply to all additional future contracts of this type which are entered into with one of the named companies.

3.6

None of the business terms and conditions used by the contractual partner shall become an integral part of the contract, even in the event that they are not expressly objected to at the time of the contract's signing. Other agreements shall only be valid in the event that Bugatti expressly authorises the inclusion of the contractual partner's business terms and conditions in writing.

3.7

Conflicting business terms and conditions shall not affect the contract's realisation in the event that the parties have reached an agreement on all the significant points. In this case, the concordant provisions of the reciprocal business terms and conditions and the legal regulations shall apply as regards the contract's interpretation.

4. Tenders

4.1

Tenders directed at Bugatti must be made in writing in accordance with Articles 126 and 126a of the BGB (German Civil Code) and must be free of charge. In principle, these tenders are to be formulated in German.

However, a data exchange procedure which deviates from the above may be specified in the call for tenders.

4.2

As far as nothing to the contrary is agreed, the pre-printed forms issued by Bugatti should be used for the submission of tenders, which should contain all the information required by Bugatti.

4.3

In the event that the tender is submitted on the basis of a request or call for tenders from Bugatti, the tendering party shall be obliged to comply with the guidelines issued by Bugatti. Bugatti should be expressly informed of any deviations which may occur despite this. The tendering party shall be free to submit alternative tenders and specific proposals.

4.4

Only complete tenders encompassing all the requested services should be submitted.

4.5

All prices should be stated in the tendering party's respective national currency (if this is not the euro, then in euros as well and if necessary including specific currency validation shown separately). Provided that nothing to the contrary is agreed, all prices shall be fixed prices. In the event that the price quotation does not specify whether the prices take account of VAT, these should be interpreted as gross prices.

4.6

In principle, tenders should be addressed to the purchasing office specified in the tender documentation.

4.7

In the case of a request or call for tenders by Bugatti, the tendering party shall be bound to its tender for the duration of the period named therein, otherwise for the duration specified by him. In the event that neither party expressly states a validity period, this shall be deemed to be 4 weeks from the time Bugatti received the tender.

4.8

In the event that the tendering party fails to conform to the aforementioned regulations, Bugatti shall reserve the right to disregard the ensuing tender.

5. Formation of a contract

In principle, contracts with Bugatti shall be formed in writing. However if by way of exception, a contract is entered into verbally, this must be confirmed in writing by both contractual parties without delay.

6. Invoicing

Single copies of invoices should be sent to the following address:

Bugatti Automobiles S.A.S.
1, Château St. Jean
Dorlisheim
Molsheim

Bugatti Engineering GmbH
-Kreditoren-
Nordsteimker Straße 7-9
38446 Wolfsburg

Bugatti International S.A.
8 – 10, rue Mathias Hardt
L-1717 Luxembourg

The auditable invoices should be submitted to Bugatti with supplier number, purchase order and name of the ordering party. All required invoicing documentation are to be enclosed.

Assuming appropriate agreements, in the future, following written notification, we will only accept invoices and transfer booking documents and remittance advices to the invoicing party in an electronic form.

7. Non-assignment clause

7.1

The assignment of a claim, regardless of its content, invariably requires written agreement from Bugatti. Assignments carried out without the required authorisation shall be deemed invalid. Bugatti shall only refuse consent if in an isolated case, following a review, the interests of the contractual partner in the intended assignment predominate the interests of Bugatti to maintain the claim relationship.

7.2

In the event that the assignment of a monetary claim according to Article 354a of the HGB (German Commercial Code) shall take effect despite Bugatti's refusal to consent in accordance with clause 7.1, the assignor is to compensate Bugatti for all incremental costs which may have been incurred as a result of the assignment.

8. Rights of retention and offsetting

8.1

Any limitation of Bugatti's rights to assert a right of retention as regards claims made by the contractual partner or to offset any claims against the contractual partner shall be invalid.

8.2

Bugatti and the VW companies are entitled to claims asserted by Bugatti and the VW companies in their capacity as joint creditor.

8.3

Bugatti and the VW companies may allocate or offset their claims against claims by the contractual partner. All material and procedural rights, to which the contractual partner may be entitled as regards a claim against the joint creditor also exist adverse to the remaining joint creditor.

8.4

In the case of the claims made by the contractual partner against Bugatti and the VW companies, Bugatti and the VW companies shall be entitled to offset or allocate the claims of the contractual partner against claims of Bugatti and those of the VW companies.

8.5

The above regulations shall also apply in the event that, on the one hand, cash payment and, on the other, the allocation of bills of exchange has been agreed or in the event that the reciprocal claims are due on different dates, whereby the settlement shall take place in accordance with value dates. This entitlement shall apply to the balance in the case of ongoing monetary transactions.

8.6

The contractual partner shall refrain from objecting to Bugatti's assignation of the claim to be offset in the case of a claim majority.

8.7

Upon request, Bugatti shall provide a list of the VW companies entitled to carry out group offsetting.

9. Illegal interference with the competition

Bugatti contractual partner shall be obliged to ensure via appropriate organisational measures that no employee dealing with Bugatti commits any criminal offences against the competition in terms of the StGB (Penal Code) and in accordance with Articles 17 and 18 of the UWG (Unfair Competition Act).

10. Proprietary rights, nondisclosure, obligation to secrecy and advertising

10.1

Bugatti reserves its proprietary rights and copy rights in connection with diagrams, drawings, calculations, other documentation and models and samples. Third parties may not be granted access to these materials without Bugatti's explicit consent. These materials should be used solely to fulfil the terms and conditions of the contract entered into and must be returned to Bugatti, unsolicited, after handling.

10.2

The company logos and trademarks in addition to Bugatti parts numbers should be affixed to the goods ordered by Bugatti in the event that this is stipulated by a drawing issued by the latter, or Bugatti issues instructions to this effect. Goods marked in this manner may be supplied exclusively to Bugatti. Authorised goods marked with Bugatti company logos, trademarks or parts numbers and rejected by the former should be made unfit for service unless it is possible to ensure, in a verifiable manner, that the rejected goods were identified as having been delivered to Bugatti.

10.3

The Bugatti contractual partner shall be obliged to treat all commercial and technical details relating to the contract entered into with Bugatti and its execution, particularly those outlined in clause 1, as trade secrets. This obligation to secrecy shall apply, irrespective of formation of a contract, to all know-how obtained during both the tender phase, as well as in the wake of the contract's execution. The abovementioned obligation shall lapse in the event that, and to the extent that the

abovementioned know-how, particularly that related to manufacture, becomes common knowledge.

10.4

Furthermore, the Bugatti contractual partner shall be obliged to observe secrecy as regards the business relationship with Bugatti. If by way of exception any mention of the business relationship with Bugatti is made in the contractual partner's advertising material this may only occur with Bugatti's explicit written consent. In these cases of exception, the written permission shall be limited to the advertising campaigns concretely specified by the contractual partner in its original application for consent.

11. Liability/liability insurance

The contractual parties shall be liable amongst themselves within the framework of the legal provisions, provided that no alternative agreements have been made.

The contractual partner shall be obliged to take out a business liability insurance policy, a product liability insurance policy and an environmental pollution policy with adequate indemnity limits per claim for personal injury, material damage and financial loss and to maintain the aforementioned policies for the duration of the contract.

In the event that the insurance contract stipulates a maximum indemnity limit for all claims made within any one insurance year, this must correspond to at least double the indemnity limit stipulated per claim.

The insurance policies, including the relevant terms and conditions of insurance and proof that the premium payments have been made, must be sent to Bugatti within two weeks upon request. Proof of the continuation of the insurance must also be provided during the contractual term at Bugatti's request. A lack of proof shall entitle Bugatti to terminate the contract on the grounds of just cause.

12. Data storage

Both Bugatti and the contractual partner shall be entitled to record and save each other's data and the information pertaining to the individual contractual relations in accordance with the current valid data protection provisions as relate to business transactions.

13. Substances interfering with paint moistening

All goods and services provided by the contractual partner, regardless of their nature, must be free of substances which interfere with the paint moistening process and may not emit these.

14. Subcontractors

As far as nothing to the contrary has been agreed in the context of a special agreement or Bugatti is unable to infer anything to the contrary from the contents of the order as related to the contractual partner's performance capacity, the contractual partner shall be obliged to perform all obligations associated with the order within its own company.

Any use of subcontractors by the contractual partner may only take place with Bugatti's prior consent, regardless of whether Bugatti was in a position to recognise or anticipate this upon signing of the contract.

15. Prices, payment

15.1

Transport, shipping, packaging and insurance costs shall be included in the stated prices, provided that nothing to the contrary has been agreed.

15.2

Provided that nothing to the contrary has been agreed, the payment shall be made on the 25th of the month following the delivery and the receipt of the invoice.

16. Divergent agreements

Any amendments to the contract shall only be valid in the event that these are agreed in writing. This shall also apply to the abovementioned requirement for the written form.

17. Continued validity in the event of partial invalidity

17.1

In the event that one or more of the provisions in or of the present contractual clauses is or becomes invalid, the validity of the remaining clauses and the validity of the contract itself shall not be affected.

17.2

In the event that contractual gaps should become apparent during the realisation of the present contract, these must be remedied with replacement provisions equating as closely as possible to the contract's commercial purpose.

18. Place of jurisdiction

The place of jurisdiction shall be Wolfsburg, Germany, as far as this is permissible.

19. Volkswagen Group requirements for sustainable development with regard to relationships with business partners

The requirements for sustainable development define the expectations of Bugatti regarding sustainable conduct by business partners involved in the added value of our products.

The full text of the requirements can be found on www.bugatti.com/supplyportal/ under the menu "General data" Cooperation -> Sustainability.

When you submit an offer to Bugatti or complete an order, you confirm your awareness of the requirements for sustainable development.