

Terms and Conditions of Supply of Volkswagen Original Parts® (hereinafter referred to as Original Parts) to the Volkswagen Group of America

All suppliers to the Volkswagen Group of America are in general subject in the "Production Purchasing Terms & Conditions". With regards to parts included in the scope of deliveries, the supplier in addition agrees to ensure the supply of Original Parts to Volkswagen Group of America in accordance with the following Terms and Conditions of Supply of Original Parts to Volkswagen Group of America.

1. Delivery Items

Original Parts are required to satisfy the need for replacements when vehicle parts or components are replaced. The need for replacements exists during and after conclusion of series production. Parts delivered in a condition that differs from that of series production parts, e.g. with regard to their surface and packaging, also constitute Original Parts.

The individual Original Parts in systems, units, components or modules shall be determined by mutual agreement between Volkswagen Group of America and the supplier in accordance with Volkswagen conventions. The supplier is required to provide technical drawings and parts lists (even for modules and individual parts) and to keep up to date. The flow of information must be established prior the start of production.

2. Right of Purchase

To the extent that Volkswagen Group of America itself develops parts or pay the supplier's developmental costs or that parts are manufactured using production aids provided by the Volkswagen Group of America (technical documents, jigs and templates, sample parts, models, molds and ties, tools, or other production aids), deliveries to third parties require the prior written consent of Volkswagen Group of America. Such approval shall not be unreasonably withheld.

Volkswagen Group of America reserves the right to purchase Original Parts used in systems, units, components or modules directly from the supplier's supplier (the sub-supplier/second tier). The supplier is upon request required to inform the Volkswagen Group of America of the individual parts in systems, units, components and modules, identify its sub-suppliers and disclose the purchase price agreed with them.

3. Marking Requirements

The supplier agrees to mark Original Parts in accordance with the technical drawing requirements and the technical terms of delivery. The appropriate brands/logos of the buyer shall be affixed to all Original Parts and viewable as specified.

4. Supply Period

The supplier is required to ensure the supply of the Original Parts included in the scope of its deliveries for a period of at least 15 years after the end of series production. The Volkswagen Group of America shall provide information on supply periods and requirements forecasts as needed.

Irrespective of ownership, production facilities (including e.g. tools) that are specific to certain parts may not be modified for or put to other uses or scrapped except after receipt of written consent from Volkswagen Group of America.

5. Special Delivery Requirements

In the event an Original Part is needed for a "car down", or a vehicle otherwise out-of-service that is unable to be serviced from Volkswagen Group of America's inventory, the supplier must agree to ship parts within 48 hours, via expedited or overnight delivery, directly to the dealership requesting the Original Part which shall be identified by Volkswagen Group of America.

6. Late Delivery

The damage payable by the supplier in the event of late delivery includes indemnification for rental car costs or the loss of use as well as the cost of special handling.

7. Packaging and Shipping

The supplier must agree with the Volkswagen Group of America on the packaging of Original Parts. The supplier shall in general ensure that all the packaging material is recyclable and not in contravention of any environmental protection or hazardous material laws or regulations.

8. Communication

Above all for purposes of receiving the buyer's delivery release orders, transmitting merchandise status information, and effecting payments, the supplier shall use the telecommunication standards specified by the Volkswagen Group of America.

9. Logistical Strategy

The supplier is required to support the logistical strategies of Volkswagen Group of America, in particular the logistical cost concept for Volkswagen Original Parts (A-B price concept). In connection with triangular transactions, the supplier agrees to deliver to any third party that is designates in writing, and will optimize delivery flows at the specified dates.

10. General Provisions

Should any provision of these Terms and Conditions and/or any other agreements entered into be or become invalid or unenforceable, this shall not affect the validity of the remaining provisions of these Terms and Conditions and/or other agreements entered into. The contracting parties agree to replace the invalid or unenforceable provision with the valid provision, the economic effect of which most closely approximates that of the provision being replaced.

The supplier has the duty to inform himself about the current terms and conditions on the vwgroupsupply-platform.

The place of performance is the buyer's legal seat. A varying term may be agreed on with respect to delivery.