

**VW AG/Procurement Division General Terms and Conditions for Purchasing (current as of 1 May 2018)**

- 1. Applicable law..... 2
- 2. Definition of terms..... 2
- 3. Validity of contractual conditions ..... 2
- 4. Tenders ..... 3
- 5. Conclusion of contracts ..... 4
- 6. Services on factory or industrial premises ..... 4
- 7. Invoices ..... 4
- 8. Non-assignment clause ..... 4
- 9. Rights of retention and offsetting ..... 5
- 10. Illegal interference with competition..... 5
- 11. Proprietary rights, nondisclosure, obligation to secrecy and advertising..... 5
- 12. Liability and liability insurance ..... 7
- 13. Data protection ..... 7
- 14. Paint-wetting impairment substances ..... 7
- 15. Subcontractors ..... 8
- 16. Prices, payment..... 8
- 17. Changes to the company structure of the contracting party..... 8
- 18. Divergent agreements ..... 8
- 19. Continued validity in the event of partial invalidity ..... 8
- 20. Place of jurisdiction..... 8

**VW AG/Procurement Division**  
**General Terms and Conditions**  
**for Purchasing**  
**(Current as of 1 May 2018)**

**1. Applicable law**

The contracts entered into and the realisation, validity, interpretation and implementation of such contracts as well as all additional legal relationships existing between the parties, in accordance with the following contractual conditions, shall be governed by the laws of the Federal Republic of Germany, excluding the provisions of the UN convention on the sale of goods (CISG), as far as no other agreements have been made in individual cases.

**2. Definition of terms**

The following terms are used in these contractual conditions:

- VW AG: Volkswagen Aktiengesellschaft
- VW Companies: companies affiliated with VW AG in accordance with section 15 et seq. of the German Stock Corporation Act (Aktiengesetz), and domestic and foreign companies to which VW AG is linked via equity holdings of at least 50%
- VW: VW AG and/or VW Companies

**3. Validity of 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**

VW AG/Procurement Division General Terms and Conditions for Purchasing for the General Purchasing of Goods.

**3.1.2 Labour and services contract/ plant engineering**

VW AG/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, rental and agency contracts and similar contracts**

Special Terms and Conditions for Purchasing

**3.1.4 Blanket orders**

VW AG/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**

Unless otherwise agreed, the most current versions valid at the time of contract conclusion, including the Specifications for Production Equipment, as well as the contractual conditions for security in the supply chain and for VW AG's proof of origin and the Volkswagen Group requirements regarding sustainability in relationships with business partners (Code of Conduct for Business Partners) shall be made elements of the contract.

In the event that the contractual conditions, including the Specifications for Production Equipment, as well as the contractual conditions for security in the supply chain and for VW AG's proof of origin and the Volkswagen Group requirements regarding sustainability in relationships with business partners (Code of Conduct for Business Partners) are not enclosed with the tender or the contract award, these can be obtained via:

[www.vwgroupsupply.com](http://www.vwgroupsupply.com)

### **3.4**

The aforementioned contractual conditions apply to contracts entered into between an entrepreneur according to section 310 (1) of the German Civil Code (BGB) and VW, and to other legal relations between VW and the former.

Furthermore, these shall also apply to contracts and legal relations with an entrepreneur in which VW 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 contracting party shall become an integral part of the contract, even in the event that they are not expressly objected to upon conclusion of the contract. Other agreements shall only be valid in the event that VW expressly authorises the inclusion of the contracting party's business terms and conditions in writing.

### **3.7**

Conflicting business terms and conditions shall not affect the contract's realisation, provided the parties have reached an agreement on all significant points. In such cases, the concordant provisions of both sets of business terms and conditions and the relevant legal regulations shall apply as regards the contract's interpretation.

## **4. Tenders**

### **4.1**

Tenders to VW must be made in writing in accordance with sections 126 and 126a of the German Civil Code (BGB) and must be free of charge. These tenders are always to be prepared in German.

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

### **4.2**

Unless otherwise agreed, the pre-printed forms issued by VW should be used for the submission of tenders, which should contain all the information required by VW.

### **4.3**

In the event that the tender is submitted on the basis of a request or call for tenders from VW, the tendering party shall be obliged to comply with the guidelines issued by VW. VW 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 national currency (if this is not the euro, then in euros as well and if necessary including currency hedging shown separately). Unless otherwise agreed, all prices shall be fixed prices. In the event that the price quotation does not specify whether the prices include VAT, these should be interpreted as gross prices.

### **4.6**

Tenders should always be addressed to the purchasing office specified in the tender documentation.

### **4.7**

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

#### 4.8

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

#### 5. Conclusion of contracts

In principle, contracts with VW shall be concluded in writing. If, by way of exception, a contract is entered into verbally, it must be confirmed in writing by both contractual parties without delay.

#### 6. Services on factory or industrial premises

Provided that the service is performed on VW factory or industrial premises, the following applies:

##### 6.1

Services shall be performed by the contracting party independently and on its own authority in accordance with VW's technical and organisational specifications under the supervision and managerial authority of the responsible employee designated by the contracting party. The decision on the choice of personnel shall be made by the contracting party.

##### 6.2

On-site contact persons shall be designated by both contracting parties for all information to be exchanged. Regular coordination meetings should take place between the contracting parties' contact persons to discuss the content and performance of services and to exchange all information needed for the fulfilment of the contract.

##### 6.3

For each change of personnel and during the orientation period for new employees, the contracting party should ensure that the contractually agreed performance meets agreed quality standards.

#### 7. Invoices

Invoices are only to be sent electronically using the following means:

- On the Group Business Platform, free of charge  
[www.vwgroupsupply.com](http://www.vwgroupsupply.com) => Login => Information => Tools => Finance Application (FIN)
- Sent directly via EDI
- Electronic invoices sent via a preselected provider

For more information, please contact [e-invoice@volkswagen.de](mailto:e-invoice@volkswagen.de).

For justified exceptional cases, following consultation with the Volkswagen AG Accounting department ([e-invoice@volkswagen.de](mailto:e-invoice@volkswagen.de)), paper invoices can be sent to:

Volkswagen AG  
Kreditoren  
Brieffach 1852  
38436 Wolfsburg  
Germany

The auditable invoices have to be submitted with the supplier number, purchase order, request number, BM number, the account and the name of the ordering party at VW. All required documentation must be enclosed. The invoices must be issued in accordance with the German value-added tax (VAT) law. Accounting records such as credit notes, debit notes, and electronic payment notifications will be sent in electronic form via EDI or can be downloaded from the finance application at [www.vwgroupsupply.com](http://www.vwgroupsupply.com) => Login => Information => Tools => Finance Application (FIN).

#### 8. Non-assignment clause

##### 8.1

The assignment of a claim, regardless of its content, always requires written agreement from VW. Assignments carried out without the required authorisation shall be deemed invalid. VW shall only refuse consent if, in an isolated case, following a review, the interests of VW in maintaining

the claim relationship outweigh the interests of the contracting party in the intended assignment.

## **8.2**

In the event that the assignment of a monetary claim according to section 354a of the German Commercial Code (HGB) shall take effect despite VW's refusal to consent in accordance with clause 8.1, the assignor is to compensate VW for all incremental costs which may have been incurred as a result of the assignment.

## **9. Rights of retention and offsetting**

### **9.1**

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

### **9.2**

VW AG and VW Companies shall be entitled to claims asserted by VW AG and the VW Companies in their capacity as joint creditor.

### **9.3**

VW AG and VW Companies may allocate or offset their claims against claims by the contracting party. All material and procedural rights to which the contracting party may be entitled as regards a claim against the joint creditor also exist adverse to the remaining joint creditor.

### **9.4**

In the case of the claims made by the contracting party against VW AG and the VW Companies, VW AG and VW Companies shall be entitled to offset or allocate the claims of the contracting party against claims of VW AG and those of the VW Companies.

### **9.5**

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.

## **9.6**

The contracting party shall refrain from objecting to VW's assignment of the claim to be offset in the case of a claim majority.

## **9.7**

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

## **10. Illegal interference with competition**

Using appropriate organisational measures, the party contracting with VW shall be obliged to ensure that no employee dealing with VW commits any criminal offences against competition within the meaning of the German Penal Code (StGB) and in accordance with sections 17 and 18 of the German Unfair Competition Act (UWG).

## **11. Proprietary rights, nondisclosure, obligation to secrecy and advertising**

### **11.1**

VW 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 VW'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 VW, unsolicited, after handling.

### **11.2**

The company logos and trademarks in addition to VW parts numbers should be affixed to the goods ordered by VW in the event that this is stipulated by a drawing issued by the latter, or VW issues instructions to this effect. Goods marked in this manner may be supplied only to VW. Authorised goods marked with VW 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 VW.

### 11.3

The contracting party is obliged to treat all industrial and trade secrets as confidential. Industrial and trade secrets include, in particular, all business and personal data, development, research and planning data, quotations, responses to quotations, documents from enquiries regarding forward/global sourcing processes, other enquiries and all associated processes, as well as confidential information received verbally or in writing, knowledge gained, results from work, expert opinions and materials, samples, drawings, computer simulations, data, files, information from the Volkswagen supply net and hardware and software provided or produced. This also includes vehicles, components and parts of vehicles that do not represent series production status, and all trials, trial instructions and planning together with their results, and information relating to employees of VW.

The term "confidential" applies to all information, knowledge or materials provided in the event of an order, or a cooperation with VW, or that are labelled or recognized as such, as well as those of which premature knowledge would be useful to a competitor, as well as all personal data pursuant to the EU General Data Protection Regulation in conjunction with the Federal Data Protection Law. This shall not apply insofar as the disclosing party explicitly waives the confidentiality requirement either in full or in part in writing.

The nondisclosure agreement shall not apply to information or confidential items which were evidently already known to the public at the time of their disclosure, i.e. had been published or were generally accessible or already known, or became known to the public through no fault of the contracting party, or were lawfully made public after their disclosure to the contracting party by a third party without limitations in regard to their nondisclosure or use, or have to be made public due to a binding official or judicial order or mandatory legal provisions and VW was informed thereof in sufficient time in advance of the required disclosure in writing.

Industrial and trade secrets may only be recorded if required for the purpose of the contract. When keeping information confidential, the contracting party shall act with the due diligence and care of a prudent and conscientious businessman, but at the least with the same care it would apply when handling its own confidential information.

The contracting party shall use the information and documents that have been or will be made accessible to it in the context of its cooperation with VW only for the purpose of fulfilling its contractual obligations relating to this contract. The same applies to the results, data and knowledge gained in conjunction with this contract or the individual contracts.

VW has the right to publish the technical, commercial or organisational details of affiliated companies in the context of section 15 ff. of the German Stock Corporation Act (AktG), provided that these affiliated companies undertake to maintain the corresponding confidentiality.

The contracting party undertakes to immediately safeguard all information and data belonging to VW from access by unauthorised third parties in line with state-of-the-art technology as far as is possible and reasonable, safeguarding it in particular from theft, loss, manipulation, damage and reproduction. Should the contracting party have information indicating that unauthorised third parties have become privy to the information and data, it shall inform VW immediately and introduce all measures required in agreement with VW to resolve the situation, and if appropriate to prevent future unauthorised access.

Should the contracting party save, process or handle the information and data in its data processing systems, it shall ensure that unauthorised third parties shall not have access to the data.

The contracting party undertakes to return all information, data, documents and storage media to VW on completion of the order. Furthermore, the contracting party shall remove all of the data and information from its data processing systems, and also either return all replicated data and storage media to VW or destroy that information in a way that

prevents it from being reconstructed, whichever VW requests it to do. The contracting party shall present VW with written confirmation of the complete return or destruction of said data.

The contracting party undertakes to comply with all provisions relating to data protection regulations as amended, and shall observe these provisions. The contracting party shall inform its entire staff of the respective provisions of the data protection regulations and shall obligate its staff to observe data secrecy. The corresponding statements shall be presented to VW or its data protection officers on request.

Insofar as not otherwise prescribed by legal or official provisions, and insofar as not otherwise agreed, the confidentiality and nondisclosure agreement shall be valid in each case for five years from the date on which the contract between VW and the contracting party is signed.

#### **11.4**

If, by way of exception, any mention of the business relationship with VW is made in the contracting party's advertising material, this may only occur with VW's explicit written consent. In these cases of exception, the written permission shall be limited to the advertising campaigns concretely specified by the contracting party in its original application for consent.

### **12. Liability and 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 contracting party 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 VW within two weeks upon request. Proof of the continuation of the insurance must also be provided during the contractual term at VW's request. A lack of proof shall entitle VW to terminate the contract on the grounds of just cause.

### **13. Data protection**

If the contracting party receives access to personal data when rendering contractual services, it shall observe the valid data protection provisions, process data solely for the purpose of rendering the contractual services (use for a specific purpose), in particular with regard to personal data, ensure that its staff has access to data only where this is absolutely necessary, obligate its staff in writing to practise nondisclosure, inform its staff of the data protection regulations they must comply with, and provide us with evidence thereof on request. The contracting party agrees to protect personal data using state-of-the-art technology. In the event that the contracting party is commissioned by VW to process personal data, and before the contracting party receives access to the personal data from VW, the respective data protection agreement shall be signed, which will be provided by VW. The contracting party ensures that personal data pertaining to VW or VW customers shall only be processed within the territory of the Federal Republic of Germany, a Member State of the European Union or a signatory to the Agreement on the European Economic Area. Deviations thereto shall be explicitly agreed in writing between VW and the contracting party and are subject to the conclusion of the corresponding contracts required.

### **14. Paint-wetting impairment substances**

All goods and services provided by the contracting party, regardless of their

nature, must be free of paint-wetting impairment substances and must not emit these substances.

## **15. Subcontractors**

Unless otherwise agreed in the context of a special agreement or VW is unable to infer anything to the contrary from the contents of the order as related to the contracting party's performance capacity, the contracting party shall be obliged to perform all obligations associated with the order within its own company.

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

## **16. Prices, payment**

### **16.1**

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

### **16.2**

Unless otherwise individually agreed, in writing in a specific instance, payment shall be made 30 days after receipt of the goods, services, or other performance, or, if VW receives an invoice after receiving the goods, services, or other performance, 30 days after receipt of this invoice.

## **17. Changes to the company structure of the contracting party**

The contracting party shall inform VW immediately in writing of any significant changes to the shareholding relationship at its company. This obligation also exists if the significant change is subject to legal disclosure requirements (mandatory entry in register).

Insofar as the significant change to the shareholding relationship at the contracting party's company involves a change in the control structure at the contracting party's company (e.g. sale of the majority of the shares in the business or acquirement of the controlling influence by a third party) and the interests of VW are thus impaired to an unacceptable extent, VW has the right to terminate the contractual relations for cause without a period of notice.

## **18. 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.

## **19. Continued validity in the event of partial invalidity**

### **19.1**

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.

### **19.2**

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.

## **20. Place of jurisdiction**

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