



Terms and Conditions of Supply of Volkswagen Original Parts[®], Audi Original Parts[®], Seat Original Parts[®], and Skoda Original Parts[®] (hereinafter referred to as Volkswagen Original Parts) to the Volkswagen Group

All suppliers to the Volkswagen Group are in general subject to the "Terms and Conditions for the Purchase of Production Material" from time to time in effect. With regard to parts included in the scope of its deliveries, the supplier in addition agrees to ensure the supply of Volkswagen Original Parts to the brands and subsidiaries of the Volkswagen Group in accordance with the following Terms and Conditions of Supply of Volkswagen Original Parts to the Volkswagen Group.

1. Delivery Items

Volkswagen 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 or packaging, also constitute Volkswagen Original Parts.

The individual Volkswagen Original Parts in systems, units, components, or modules shall be determined by mutual agreement between the companies of the Volkswagen Group 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 these up to date. The flow of information must be established prior to the start of production.

2. Right of Purchase

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

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

3. Marking Requirements

The supplier agrees to mark Volkswagen 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 Volkswagen Original Parts and viewable as specified.

4. Supply Period

The supplier is required to ensure the supply of the Volkswagen 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 companies shall provide information on supply periods and requirements forecasts as needed.

Irrespective of ownership, production facilities 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 Procurement/Purchasing.

5. Pricing

The production material price in effect during the series production period shall in general apply for Volkswagen Original Parts supplied during this period. Any expenditures for handling that are specific to Volkswagen Original Parts/Accessories and in excess of the production material price must be separately stated.

The price of a Volkswagen Original Part contained in a system, unit, component, or module will be based on a breakdown of the overall price net of the cost of assembling the system, unit, etc. in question.

6. Late Delivery

The damages 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 companies on the packaging of Volkswagen Original Parts. The supplier shall in general ensure that all packaging material is recyclable and not in contravention of any environmental protection 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 companies, which are based on the recommendations of the German Association of the Automotive Industry (VDA). New developments in electronic communications such as e-mail, the Internet, etc. shall be actively utilized and recognized as legally binding in agreement with the Volkswagen Group companies.

9. Logistical Strategy

The supplier is required to support the logistical strategies of Volkswagen Group companies, 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 its buyer 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 of 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 place of performance is the buyer's legal seat. A varying term may be agreed on with respect to delivery.