

Contractual condition for contract-related travel costs

Version dated: July 1, 2021

1.1 Subject of the regulation

These contractual conditions apply only to business travel to a location other than the location where services are provided on a permanent or contractually agreed basis. These conditions shall apply in addition to the respective agreed procurement conditions of Volkswagen AG (hereinafter referred to as the Client) and shall regulate commissioning, performing and invoicing business travel carried out on the basis of these terms and conditions by the contractor within the scope of the contractual relationship. Deviations from these contractual conditions, which have not been discussed with the Client and agreed in writing, will result in travel expenses not being reimbursed.

1.2 Scope of application for business trips initiated on a contract-related basis

The following regulations apply to the contractors commissioned by the Client.

If third parties (subcontractors) are commissioned by the contractor with the consent of the Client, the contractor shall only be entitled to invoice the Client for these costs in accordance with these contractual conditions.

Deviating or additional contractual terms do not become part of the contract, even if any such terms are not expressly objected to. If the contractor confirms a commission from Volkswagen that deviates from these terms and conditions, these deviations shall only apply if Volkswagen expressly acknowledges and agrees to them in writing.

1.3 Forms of travel booking

In principle and exclusively, the Client shall only reimburse or assume travel expenses that were initiated via the following two booking and billing processes:

1.3.1 External booking upon presentation of a receipt

The contractor – with the prior written consent of the Client's relevant department – books the travel service independently and invoices the Client for the net costs incurred using a proper invoice within the meaning of Section 14 Umsatzsteuergesetz (UStG, German VAT Act) without adding any mark-up.

1.3.2 Business travel as an integral part of the contract

The travel costs within a defined scope are already a fixed and essential part of the contract and have been defined accordingly therein (specifications, minutes of the negotiation etc.).

In this case, the travel costs incurred are not liable for reimbursement, as they are already covered by the contractual remuneration. Additional reimbursement shall not be provided by the Client.

1.4 Additional requirements

1.4.1 Before planning business travel, a cost-benefit analysis must be carried out to check whether the business travel can be avoided by using suitable communication technologies.

1.4.2 Business travel must be carried out with due regard to the highest level of safety and economic efficiency. The principles of sustainability, in particular the minimization of CO₂ emissions in accordance with the principles of the Group decarbonization program, must be taken into account.

1.4.3 In order to avoid additional costs, firm bookings for business travel must always be planned and made in good time. The contractor must check the safety of the destination during the planning phase.

1.4.4 The contractor must ensure that invoices, receipts and other documents comply with VAT regulations.

1.4.5 If bonuses are awarded in connection with the business travel (e.g. flight, hotel), the contractor must credit these bonuses to the Client/use these bonuses for the benefit of the Client on future business travel.

1.4.6 The contractor shall in all cases remain responsible for all obligations towards its employees incumbent upon it in its capacity as an employer and for any necessary measures relating to the travel (e.g. occupational health care, travel restrictions as well as travel insurance, pandemic prevention etc.)

2. Reimbursable travel expenses

Business travel must be carried out using the means of transport listed below.

2.1.1 Aircraft

For flights to be liable for reimbursement, they must always be booked in economy class and at the lowest fare available when the travel is commissioned.

2.1.2 Rental cars and private vehicles

Costs for rental cars up to a maximum of Golf class (compact) can be reimbursed. Use of the Client's pool vehicles is preferable. Fuel costs and charging costs for electric vehicles can be reimbursed if properly invoiced. Reasonable parking fees (excluding special parking) and road charges where necessary can be reimbursed. Rental cars must be refueled prior to returning them, as surcharges due to refueling will not be reimbursed.

For business travel conducted in a private vehicle, the tax-exempt mileage allowance permissible under income tax regulations is paid.

2.1.3 Rail

Only rail journeys up to second class (incl. seat reservations where applicable) are eligible for reimbursement.

2.1.4 Taxi/public transport

In principle, public transport must always be used for any necessary journeys at the destination location. Taxis can be used if public transport is not available or if the business traveler cannot reasonably be expected to use it in individual cases and a justified reason for this is provided. Travel costs between the place of residence and the location when services are provided on a permanent basis will not be reimbursed.

2.1.5 Hotels

As standard, costs for rooms with a bath/shower and toilet in three-star hotels can be reimbursed. In exceptional cases and depending on the country, higher-rated hotels may be booked only if it can be proven that no other suitable and cheaper accommodation was available at the time of booking. Food expenses (e.g. breakfast) will not be reimbursed.

2.1.6 Border entry fees

Border entry fees incurred in relation to contractual services can be invoiced on a one-off basis upon presentation of proof of payment.

2.1.7 Travel time

Travel time can be recognized and reimbursed according to the following table.

Travel times for journeys within the destination location are not liable for reimbursement.

Type of business travel	Flat rate in € per journey
Business travel national	€0.00
Business travel continental	€80.00
Intercontinental business travel	€250.00

2.2 Non-reimbursable travel expenses

Non-reimbursable travel expenses include, but are not limited to:

- Meal expenses
- Passport, couriers, international driver's license
- Laundry services
- Vaccination costs, masks, rapid tests, PCR tests
- Gratuities and service charges, as well as group catering
- Private journeys using a rental car
- Expenses for booking, processing or invoicing the travel
- Bank charges
- Fees for the use of payment methods
- Pre-financing expenses
- Additional baggage fees and luggage storage
- Internet and telephone charges
- Fees levied by the rental company for refueling or recharging rental cars
- Damage to rental cars
- Liability toward third parties
- Taxi costs where reasonable public transport options are available
- Airplane seat reservations
- Oil change and car washing
- etc.

3. Travel expense report

Travel expenses must be submitted to VW (Accounts Payable department) based entirely on receipts and in a cumulative invoice. The invoice must contain the reference code and supplier number.

Receipts are issued to the contractor (=invoice recipient), must be submitted as a numbered copy and must contain the following information:

1. Full name and full address of the company providing the service (=receipt issuer)
2. Full name and full address of the recipient of the service (=invoice recipient)
3. Tax number or VAT identification number of the company providing the service (=receipt issuer)
4. Invoice number
5. Invoice date
6. Type and scope of services (e.g. taxi incl. journey distance)
7. Service period or delivery date
8. The fee broken down by tax rates and tax exemptions (net amount)
9. VAT amount and applicable tax rate(s) as a percentage and an indication if there is an exemption
10. Invoices for small amounts (including taxi receipts) up to and including a total value of €250.00 incl. value-added tax must contain at least the information specified in points 1, 5 and 6. Instead of the net amount (point 8), the value-added tax amount and the percentage (point 9), it is sufficient to specify the gross amount and the percentage rate of value-added tax.
11. The same principles apply to rail tickets from public transport operators as for small-sum invoices, with the caveat that the tariff distance may be indicated instead of the percentage.