

Terms of General Purchasing – For Request for Quotation (RFQ) (for ŠKODA AUTO Volkswagen India Private Limited and Volkswagen IT Services India Private Limited)

1. General terms and conditions

Volkswagen AG is represented in India inter alia through a number of companies in India including ŠKODA AUTO Volkswagen India Private Limited and Volkswagen IT Services India Private Limited, herein after collectively referred to as “VW Group India” and individually as “COMPANY”.

Bidders (equipment, services etc.) who quote (commercially and technically) for the requirements asked by VW Group India are herein referred as “Supplier”.

COMPANY & Suppliers shall individually referred as “Party” and collectively “Parties”

This General terms and conditions shall be governed and construed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the appropriate courts of Mumbai as applicable.

The general terms and conditions stipulated herein will be construed to be a contract between the Supplier and COMPANY, who will invite or has invited the Request for Quotation [RFQ] from the Supplier, once the Purchase order is issued to the Supplier. For example if the COMPANY has invited RFQ from Supplier ‘A’. The terms and conditions stipulated herein will be applicable to the contract between COMPANY and Supplier ‘A’ unless Company signs a separate contract with Supplier. In the event Company signs a separate contract with the Supplier, the clauses of such separate Contract would prevail over these terms and conditions to the extent of inconsistency between the two.

Once Contract / Purchase Order is issued to the supplier, General Purchase - Terms and Conditions - Purchase Order would also be applicable to the Supplier.

2. Confidentiality & Intellectual property rights

The documents along with this RFQ (Request for quotation) are subject to the laws of copyright and other Intellectual property rights and must not be reproduced in whole or in part without the prior written consent of COMPANY. Furthermore, all information contained within these documents is given in strict confidence, is subject to the terms of the signed / electronically accepted Non-Disclosure Agreement (NDA) and should not be divulged (irrespective of whether the recipient proposes to submit a proposal to COMPANY) to any third Supplier without the prior written authority of COMPANY. Even the existence of this document or the fact that COMPANY issued this RFQ shall not be revealed to anyone.

All information given to the Supplier whether orally, on paper or in any other form or media shall at all times remain COMPANY’s property solely. Should the Supplier decide not to respond to this RFQ or not be chosen as a Supplier out of this RFQ we request that the Supplier returns all documents along with all copies made under a cover letter to COMPANY promptly.

COMPANY may at its sole discretion copy, share or disclose information from this RFQ including aspects of any submissions made by a Supplier with other group companies. All information shall be treated as confidential and will only be used for the purpose as set out in this RFQ.

Furthermore COMPANY hereby reserves the right to issue information to failures, incompleteness or other blocking factors reported by one potential Supplier to other potential Suppliers of COMPANY participating in this RFQ.

Drawings, models, jigs and templates, sample parts, scope of service or similar property may not be provided or otherwise made available to unauthorized third parties. The reproduction of such property is permissible only within the limits of business requirements and copyright law.

The Supplier is not entitled to use the business relationship with the COMPANY for advertising purposes of any nature whatsoever without prior written consent of the Company. The Supplier is not entitled to use any of the brand names or the logo of the COMPANY or of Volkswagen AG, Skoda Auto A.S. showing their association with the COMPANY, except with the prior written approval of the COMPANY/ Volkswagen AG/ Skoda Auto A.S.

Supplier shall ensure that any (natural or legal) person engages in the execution of an Order or Specific Agreement shall not use any of COMPANY’s/VOLKSWAGEN AG’s trademarks, logos or trade names without its prior written consent of the COMPANY/Volkswagen AG/Skoda Auto A.S. Supplier shall not use solutions and procedures which are our intellectual property or where we are the licensee of the intellectual property, other than the production of goods/ services for us COMPANY shall be the exclusive owner of the outcome of work performed by Supplier and/or the Supplier’s staff members, individually or in co-operation with others, as part of the agreed work or through application of knowledge or skills obtained from COMPANY. Outcomes within the meaning of this section shall in any

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event include inventions, results, models, devised working methods, drawings, software, databases and written and/or produced works, but shall always exclude Supplier's Pre- Existing Intellectual Property Rights.

3. Bidding conditions

Tenders to COMPANY must be made in writing. These tenders have to be prepared in English language. However, a data exchange procedure which deviates from the above may be specified in the call for tenders. Drawings & technical standards might not be necessarily in English language and it is the responsibility of the Supplier to get the necessary translations, wherever required for quotations and agreement to scope of work, without any additional cost to COMPANY.

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

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

All prices should be stated in the tendering Supplier's national currency (if this is not in INR, then the equivalent INR to be 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 any taxes, these should be interpreted as gross prices.

Offers / proposals should always be submitted to the Purchasing Office specified in the RFQ documentation.

4. Late Submission of Proposals

Supplier must deliver complete proposals on or before the due date. Any extensions will have to be duly authorized by the COMPANY in writing. Discretion to approve such late submissions will vest in COMPANY.

5. Withdrawal of Supplier Proposals

No proposal may be withdrawn less than 180 days following the deadline for submission of proposals without the prior agreement of COMPANY.

6. Ownership of Proposal documentation

All proposals (and related materials), once submitted, becomes the property of COMPANY. By submitting a proposal, the Supplier licenses COMPANY to reproduce (within COMPANY and to its advisers for COMPANY's internal purposes only) the whole or any portion of the Supplier's proposal, notwithstanding any copyright or other intellectual property right.

7. Right of Rejection

This RFQ or any subsequent discussions relating to this RFQ or the Supplier's proposal does not commit COMPANY to award any contract or order to the Supplier at a later date.

COMPANY retains the right:

- To accept or reject any or all proposals for any reason, at any time
- To request additional information or clarification on matters included in the proposals, prior to acceptance or rejection of proposals.
- To enter into discussions and/or negotiations with any or all Suppliers as it sees fit.

This RFQ does not and will not commit COMPANY to pay any expenses incurred by the Supplier in the preparation of a response. COMPANY is under no obligation to disclose its reasons for accepting or rejecting proposals.

COMPANY holds the right to accept or refuse RFQ responses and to start discussion with one or more potential Suppliers. COMPANY explicitly reserves the right to refrain from entering into any agreement with respect to the subject matter of this RFQ. If an agreement / Contract is separately entered into, this will be done in line with the terms stipulated herein as well.

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8. Implication and Consequences

While or during any subsequent discussions relating to this RFQ or the Supplier's proposal does not commit COMPANY to award any contract or order to the Supplier at a later date, each proposal made by the Supplier will be considered as an irrevocable "offer to contract" to COMPANY. From this it follows in particular that:

In submitting a proposal, the Supplier agrees that all materials associated with, attached to or referenced by their proposal may be incorporated into a subsequent binding agreement between the Supplier's organization and COMPANY.

COMPANY may enter into discussions and / or negotiations with more than one qualified Supplier at the same time, should such action be in the best interest of COMPANY. COMPANY may enter into agreements with one or more Suppliers, or with any Supplier, who did not bid, should it determine that such actions are in its best interests. COMPANY is not bound to accept the lowest or any bid and reserves the right to accept any part of any bid.

An agreement / Contract shall be deemed to have been concluded as soon as COMPANY accepts a written quotation by means of placing a written order.

Unless COMPANY communicates to the contrary, the following items shall form an integral part of the agreement:

1. the (purchase) order from COMPANY;
2. these General Terms and Conditions
3. the quotation;
4. the request for a quotation;

An agreement may only be amended and/ or supplemented in writing

The goods supplied / service provided must satisfy the provisions of the agreement / Purchase order. They shall not be deemed to have satisfied the provisions of the agreement / Purchase order if they do not possess the properties which COMPANY was entitled to expect pursuant to the agreement.

Where no detailed description has been provided of the requirements of the goods / Parts / services, they shall in any event be of good quality and satisfy, at the very least, the normal requirements of reliability, effectiveness and workmanship.

COMPANY shall be entitled to reject goods / services because they do not satisfy the provisions of the agreement / purchase order, provided that COMPANY informs the Supplier accordingly within four (4) weeks of having discovered this to be the case. If COMPANY subjects the goods to inspection, a notification of defects which COMPANY could reasonably be expected to have detected during said inspection, must take place within four (4) weeks of the inspection having been completed.

The goods delivered must be free from all special third-party charges, limitations and rights, including limitations and rights which result from or are connected with intellectual property rights, with the exception of third- party charges, limitations and rights which the Supplier informed COMPANY about in writing and which COMPANY has expressly accepted in writing. The Supplier shall hold COMPANY harmless against third-party claims in this respect, wherever and whenever such claims might be instigated, and also against any and all damage and costs which COMPANY might incur in this connection

9. Validity

The proposal shall indicate that it is valid and irrevocable for a period of 180 (one hundred and eighty) days from the proposal due date and all bids must be firm and remain in effect from the Proposal due date until such time as the future contractual agreements are executed, but in no event less than 180 days.

10. Dispute Resolution

Any dispute or difference or claims of any kind between the COMPANY and the SUPPLIER arising out of or relating to this Purchase Order or Agreement, whether before or after the termination of this Purchase Order or the Agreement, shall be resolved in the first instance through amicable discussions between the representatives of Parties who shall meet together promptly, at the request of any Party, in an effort to mutually resolve such dispute, difference or claim by discussion between them.

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If the dispute is not resolved through the amicable discussions provided for above within [30] days from the date of commencement of such discussions or such longer period as the Parties agree in writing, then either Party may refer the dispute to settlement by arbitration in accordance with the Arbitration and Conciliation Act, 1996 in effect on the date of the dispute. Such arbitral reference shall be to a sole Arbitrator to be jointly appointed by the Parties. The venue and seat of arbitration shall be Mumbai. The Arbitration proceedings shall be conducted in English and the award passed shall also be in English. Any decision or award resulting from arbitration shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 in effect on the date of the dispute and rules framed thereunder shall be final and binding upon the Parties. The fees and expenses of the Arbitrator and all the other expenses of the arbitration shall be borne and paid equally by the respective Parties, subject to the final determination of costs by the Arbitrator. The Arbitrator may provide in the arbitral award for the reimbursement to the prevailing Party of its costs and expenses in bringing or defending the arbitration claim, including legal fees and expenses incurred by a Party.

11. Use of Corrupt Practices, Unfair Means

- a) Supplier commits itself to take measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of this agreement tenure or during any pre-agreement or post-agreement stage in order to secure the agreement or in furtherance to secure.
- b) Supplier shall not use the services of any of the employees of COMPANY, directly or indirectly or enter into any sort of monetary transaction with the employees of COMPANY. Supplier undertakes that it has not given, offered or promised to give directly or indirectly any bribes, commission, gift, consideration, reward, commission, or inducement to any of the employees of COMPANY or their agent or relatives for showing or agreeing to show favor or disfavor to any person in procuring this Agreement or for bearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the aforesaid undertaking, by the Supplier or its partners, agent or servant or any one authorized by them or acting on its behalf. The Supplier undertakes that in the event of use of any such corrupt practices by the Supplier, COMPANY shall be entitled to cancel the contract and recover from the Supplier, the amount of any loss arising from such cancellation. A decision of COMPANY or its nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the Supplier.
- c) Supplier further undertakes to comply with COMPANY'S CODE OF CONDUCT policy which is available at COMPANY'S website.

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Definitions

The following terms shall have the meanings as set forth below:

Supplier	The vendor who competes with others to get the opportunity to supply material or provide a service for someone else by offering to do it for a particular amount of money.
Purchase Order	A completed and signed document in standard COMPANY layout by which COMPANY places an order under a Specific Agreement. For purposes of clarification, no Purchase Order shall be binding unless accepted by Supplier in writing.
RFQ/Order acceptance	The agreement that comes into existence upon the acceptance by Supplier of the Purchase Order. Acceptance of Purchase order on email / correspondence by supplier will amount to acceptance of all the terms and conditions of the Purchase order including the general terms and conditions stipulated herein. In case of no revert, it will be considered as your acceptance.
Agreement / Contract	These Terms and Conditions and all Specific Agreements, annexures, schedules and appendices attached thereto or incorporated therein by reference will form a part of the agreement.
Deliverables	All materials, rights and/or services Supplier has agreed to provide to COMPANY pursuant to an Order or Specific Agreement. Deliverables may include (without limitation) Developed Software, Documentation, interfaces, training and source code, but shall exclude Supplier Pre-Existing IPR.
Final Acceptance	The date on which COMPANY certifies or is deemed to have certified satisfactory completion of Acceptance Tests of the Deliverables
Intellectual Property Rights	All rights in inventions, patent applications or issued patents and any continuation applications and continuation-in-part applications, reissue or divisional applications, copyrights (including rights in software (code) and software documentation), neighboring rights, database rights, models and design rights, trademark applications or granted/ assigned/ licensed trademarks, trade and business names, Internet domain names, rights to know-how and any other intellectual property right or right of similar nature, anywhere in the world implied by law or accruing under common law and whether registered or unregistered, or under application.
Milestone	A date specified as such in the time schedule in a Specific Agreement on which a Deliverable must be completed or provided successfully, or on which a Service or Project phase has to be started at the latest, as the case may be.
Pre-Existing IPR	Intellectual Property Rights vested in a Supplier, whether immediately prior to the execution of a Specific Agreement or otherwise, including in the case of Supplier, Intellectual Property Rights or other proprietary works of authorship, that have not been created specifically for COMPANY hereunder, including, without limitation, any derivatives thereof, which have been or are originated, developed, purchased, acquired or licensed by Supplier or its Affiliates, or by third parties under contract to Supplier or its Affiliates.
Services	Any services that Supplier has agreed to provide to COMPANY pursuant to this Agreement or one or more Specific Agreements.
Specifications	Specifications for Deliverables as set forth in the applicable Specific Agreement, including but not limited to technical and functional specifications. Specifications shall be based upon the requirements of COMPANY.
Warranty Period	Unless agreed otherwise, the default warranty period that shall apply will be 24 months following delivery of the applicable deliverables or the performance of such other Services, or any such other period agreed upon in the applicable Specific Agreement.