



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 Skoda Auto Volkswagen India Private Limited

(the English version is valid and legally binding in case of any differences with the German version)

All suppliers to Skoda Auto Volkswagen India Private Limited (formerly known as Volkswagen India Private Limited and herein after referred as "Skoda Auto Volkswagen") are subject to the "Terms of Purchase for Production Material" issued 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 affiliates / subsidiaries of Volkswagen Group in accordance with the following Terms and Conditions of Supply of Volkswagen Original Parts to the Skoda Auto Volkswagen:

1. Delivery Items

Volkswagen Original Parts supplied by the Supplier 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 Skoda Auto Volkswagen 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 Skoda Auto Volkswagen themselves develops parts or pays the supplier development costs or that parts are manufactured using production aids provided by Skoda Auto Volkswagen [viz. technical documents, jigs and templates, sample parts, models, molds and dies, tools or other production aids], deliveries to third parties require prior written consent of Skoda Auto Volkswagen in cases where the intellectual property is owned or licensed to Skoda Auto Volkswagen. Such approval shall not be unreasonably withheld.

Skoda Auto Volkswagen reserves the right to purchase Volkswagen Original Parts used in systems, units, components, or modules directly from the Supplier's supplier (the Sub-Supplier or the Sub-Contractor). The Supplier is upon request required to inform the Skoda Auto Volkswagen 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. Skoda Auto Volkswagen shall provide information on supply periods and requirements forecasts as needed.

Irrespective of ownership, production facilities used by Supplier 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 Skoda Auto Volkswagen 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 shall 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. These damages may also attract tax separately.

7. Packaging and Shipping

The Supplier must agree with Skoda Auto Volkswagen on the packaging of Volkswagen Original Parts. The supplier shall in general ensure that all packaging material is recyclable and not in contravention of applicable environmental protection laws or regulations.

8. Communication

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

9. Logistical Strategy

The Supplier is required to support the logistical strategies of Skoda Auto Volkswagen, 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.